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LEGISLATIVE AUDITOR

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year**  
**July 1, 1996 - June 30, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 07 1998

Prepared by  
Department of Business

Juanita Duke, CPA  
Business Manager

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

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Ruston, Louisiana

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**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

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LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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# LINCOLN PARISH SCHOOL BOARD

410 SOUTH FARMERVILLE STREET  
RUSTON, LOUISIANA 71270-4699  
318/255-1430 • FAX 318/255-3203

DAVID WRIGHT  
PRESIDENT

GERALD W. COBB, Ed.D.  
SUPERINTENDENT

December 22, 1997

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

The Comprehensive Annual Financial Report of the Lincoln Parish School Board, herein after referred to as "School Board," for the fiscal year ended June 30, 1997, is hereby transmitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rest with the Business Department of the Lincoln Parish School Board. We believe this report, as presented, is accurate in all material aspects, and that it is presented in a manner that fairly sets forth the results of operations and financial position of the School Board. Further, all disclosures necessary to enable the reader to gain an adequate understanding of our system's financial affairs have been included. This report was prepared in accordance with generally accepted accounting principles as established by the Governmental Accounting Standards Board (GASB) of the Financial Accounting Foundation. The Governmental Accounting Standards Board is the standard setting body for establishing governmental accounting and financial reporting standards.

## **Comprehensive Annual Financial Report Sections**

The Comprehensive Annual Financial Report consists of three sections: the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section includes this letter of transmittal, certificates in financial reporting, principal officials and an organization chart. The Financial Section consists of both general-purpose financial statements, which present an overview and broad perspective of the School Board as a whole, and more detailed combining and individual fund financial statements. The Statistical Section includes data prepared from both accounting and non-accounting sources for the purpose of reflecting financial trends and fiscal capacity of the School Board, as well as other social and economic information. The data is presented for the past ten years.

## **Reporting Entity**

For financial reporting purposes, in conformity with the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, defining the reporting entity, this report includes all funds and account groups of the School Board.

## **Economic Condition and Outlook**

Lincoln Parish is located in the north central region of the state, situated between Shreveport to the west and Monroe to the east. Lincoln Parish is home to two major universities, Louisiana Tech and Grambling State. These two universities have approximately 2,230 employees with a combined student population of approximately 18,500. Lincoln Parish has a low cost of living and consistently has one of the lowest unemployment rates in the state. Lincoln Parish is packed with opportunities for business as well as pleasure.

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

### **Economic Condition and Outlook (Continued)**

Principal industries in Lincoln Parish are forestry products and poultry production and processing. A number of new restaurants have been established in recent years and construction is now complete on two new area motels. The expansion of U.S. Highway 167 began in 1997 to accommodate the increased traffic flow in southern Lincoln Parish. American Bank of Ruston has completed the construction of a new main branch facility in Ruston. In 1996, building permits for residential and commercial endeavors were issued in excess of \$31 million dollars; this is nearly double the average in the previous five years! The economic stability of the area ensures the strength and steady growth of business and industry in the future.

### **Major Initiatives**

The School Board currently operates with 72 school buses, of which 58 are Board owned. We continue to update our aging fleet of buses. In 1993-1994, the Board purchased eighteen new school buses under a lease purchase agreement; in 1994-1995, nine buses were purchased outright; in 1995-1996, eleven were purchased; and in 1996-1997, five more buses were purchased. Many former contract drivers chose not to repurchase new buses as their old buses became non-operational. The number of contract-owned buses dropped from 23 in 1995-1996 to 19 in 1996-1997; therefore, the job of supplying additional buses continues to be transferred to the school system.

The major focus of several funding sources for the school system has been to provide, or improve, technology in our school district and to bring technology into the classroom. In 1995-1996, a major initiative to establish Internet access in all seventeen schools and the central office began. This is a project that was accomplished in four phases. Phase I, installation of category five wiring in every school in the parish and the central office; Phase II, installation of hubs and routers in each school and the central office; Phase III, purchase and installation of computers and servers for the schools; and Phase IV, actual connections to the telecommunication lines for on-line access to the Internet. In 1995-1996, Phase I was completed and in 1996-1997, Phases II, III and IV were completed. Every school and the central office currently has on-line access to the Internet. The major focus for the future is to increase the number of computer workstations with Internet access in all schools and to eventually provide Internet access to every classroom in the parish. Currently, the school system is working towards "E-Mail" access for all locations in the school system. This will involve assigning E-Mail addresses and connecting to E-Mail through the Internet. With this thrust for technology, in an age where computer systems quickly become outdated, the school system will be faced with the ongoing costs of upgrading computer equipment in order to keep up with the changes in technology.

Along with the wiring and installation for Internet is the focus on creating a "Wide Area Network" (WAN) which would combine all networks of the school district into one network. This would enable anyone to gain access to any network in the school system from any computer station in the school system. The project is now underway.

In December of 1995, a fire partially destroyed the auditorium at Ruston High School. Rebuilding began in the spring of 1996 and was substantially completed in May 1997.

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

### **Major Initiatives (Continued)**

The State Department of Education has approved the School Board's plan to create an alternative school which would provide students with an alternative learning environment to the regular classroom. This alternative school setting will be put in place during the 1997-1998 school year. Presently, with the aid of grant funding for a cooperative endeavor between the State Department of Education and the Lincoln Parish School Board, construction of a facility to house the alternative school is underway. It is projected that the construction will be completed and the building occupied by spring of 1998.

### **Single Audit**

The Single Audit Act Amendment of 1996 and U. S. Office of Management and Budget Circular A-133, "*Audits of State, Local Governments, and Nonprofit Organizations*," require an annual Single Audit of the School Board. Information related to this Single Audit includes the schedule of federal financial assistance, findings and recommendations, and auditors' reports on internal control structure and compliance with applicable laws and regulations. Lincoln Parish has contracted with an independent auditor to conduct the annual audit. Our independent auditor performed a Single Audit for the year ended June 30, 1997 and has issued the Single Audit reports under a separate binder.

### **Internal Accounting Control**

The management of the School Board is responsible for establishing and maintaining a system of internal accounting control. The objectives of a system of internal accounting control are to provide reasonable, but not absolute, assurance that Board policy, administrative and accounting procedures, and grant administration procedures are fully implemented and are being adhered to. In addition, internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safe-guarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

All internal accounting control evaluations occur within the above framework. We believe the School Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. In addition, we believe the controls provide adequate assurance that federal programs are properly administered and accounted for.

### **Accounting System and Budgetary Control**

An explanation of the School Board's accounting and budgetary policies are contained in the Notes to the Financial Statements. Explained in detail are the basis of accounting, fund structure and other significant information regarding accounting and budgetary policies. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the general fund and special revenue funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriate amount) is established by function within an individual fund. Budget comparisons are submitted periodically to the board. The Business Department monitors the budget and presents budget amendments, when deemed necessary, to the Board for approval. All budget amendments must be presented to the Board for approval.

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

### **General Governmental Function**

For the fiscal year ended June 30, 1997, general fund expenditures and other uses exceeded revenues and other sources by \$137,045. This was primarily the result of increases in salaries and benefits of approximately \$660,000 and increases in employers' premiums paid to the group health insurance internal service funds of approximately \$505,000.

At June 30, 1997, the fund balance of the School Board's general fund, including reserved and unreserved, was \$3,890,746.

The revenues and other financing sources of the general fund increased from the prior year's \$25,500,428 to the current year's \$27,147,914, an increase of 6.46 percent. This was due primarily to the increase in state funding of approximately \$575,000 for teachers' salaries and benefits and \$1,293,000 in insurance proceeds from the fire at Ruston High School.

The general fund expenditures increased from \$24,897,833 in the prior year to \$27,284,959 for the current year, an increase of 9.58 percent. This increase was due to normal step increases in salary and employee benefits and the increases in premiums paid to the group health insurance internal service fund.

The School Board has four debt service funds. Three of the school district debt service funds are maintaining a fund balance to meet the two ensuing years principal and interest requirements. The bonds of the districts mature through the year 2007.

The School Board has two internal service funds - workers' compensation and group health insurance program. The workers' compensation fund was established in July 1990, for the purpose of self-insuring the school system's exposure to employee accidents and injury. This fund ended the fiscal year with retained earnings of \$65,466.

The group health insurance fund was established in November 1989, to provide group insurance health care and dental benefits to employees of the School Board and their families. The fund had additions of \$3,953,899 and deductions of \$3,865,151 during 1996-1997, resulting in an operating income of \$88,748 for the year ended June 30, 1997. After non-operating revenues the statements reflect a net income of \$93,542. The increase in the retained earnings was the result of an increase in premiums received from the general fund.

The school activity fund is the only agency fund. This fund accounts for funds of the various schools and organizations in which the school has a fiduciary responsibility. For fiscal year 1996-1997 it had additions of \$1,275,083 and deductions of \$1,222,284 leaving a balance of \$327,491.

The schedules below present a summary of revenues and expenditures of the governmental funds (general fund, special revenue funds, and debt service funds) for the year ended June 30, 1997.

Board Members  
 Lincoln Parish School Board  
 Ruston, Louisiana

**General Governmental Function (Continued)**

	<u>Amount</u>	<u>Percent of Total</u>	<u>Percentage Increase (Decrease) From 1996</u>
<b>Revenues</b>			
Local Sources:			
Taxes:			
Ad Valorem	\$ 5,619,560	16.31%	7.56%
Sales and Use	6,079,092	17.65%	-0.52%
Interest Earnings	488,853	1.42%	-1.76%
Rent of Facilities	0	0.00%	-100.00%
Food Service	366,291	1.07%	-4.70%
Other	1,492,642	4.33%	190.61%
State Sources	17,077,962	49.57%	3.32%
Federal Sources	<u>3,325,777</u>	<u>9.65%</u>	-0.38%
 Total	 <u>\$34,450,117</u>	 <u>100.00%</u>	 5.70%
<b>Expenditures</b>			
Current:			
Instruction:			
Regular Programs	\$14,294,264	41.23%	5.51%
Special Ed. Programs	2,793,379	8.06%	20.61%
Vocational Ed.	907,813	2.62%	-12.51%
Other Programs	623,789	1.80%	0.31%
Special Programs	1,080,758	3.12%	-14.91%
Adult/Continuing Ed.	30,395	1.15%	7.31%
Support Services:			
Pupil Support	833,764	2.41%	20.53%
Instructional Staff Support	1,374,836	3.97%	2.15%
General Administration	573,316	1.65%	3.99%
School Administration	1,695,793	4.89%	4.85%
Business Services	257,870	0.74%	-15.88%
Operation & Maintenance of Plant	2,231,434	6.44%	7.50%
Student Transportation	1,931,355	5.57%	-0.61%
Central Services	57,781	0.17%	100.00%
Operation of Non-Instructional Services			
Food Services	2,337,527	6.74%	2.40%
Community Service	4,718	0.01%	121.40%
Facilities Acquisition and Construction	1,488,124	4.29%	179.74%
Debt Service:			
Principal Retirement	1,242,401	3.58%	0.16%
Interest & Bank Charges	<u>887,951</u>	<u>2.56%</u>	-3.43%
 Total Expenditures	 <u>\$34,667,268</u>	 <u>100.00%</u>	 7.17%

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

### Cash Management

The School Board exercises an aggressive investment program. During 1996-1997, idle funds were temporarily invested in certificates of deposit and government securities. In January 1995, a cash management account was set up. The bank invested funds daily in government securities and sold them on the following day. This allowed the balance in the accounts to earn significantly higher interest than it would have in a regular interest bearing account. Investments are secured by federal deposit insurance or with securities pledged by the financial institution and held by an approved third party custodial bank in the name of the fiscal agent bank. Procedures followed and securities pledged are in accordance with the statutes of the state of Louisiana.

### Debt Administration

The School Board has four debt service funds; Ruston District No. 1, Simsboro District No. 3, Choudrant District No. 6 and Series 1995 Sinking. The three school districts' debt retirement is funded by a dedicated ad valorem tax which is authorized for the maturity period of the debt. Millage rates are adjusted as required to meet debt service requirements. The Series 1995 Sinking debt retirement is being paid by federal dollars funded through the Title I program.

These bond issues are rated as follows:

#### Moody's Investors Service

Ruston District No. 1	Aaa
Simsboro District No. 3	Baa
Choudrant District No. 6	Baa

### Risk Management

During 1996-1997, the School Board continued the workers' compensation fund to self-insure in the area of employee accident and injury. This risk management program is supplemented by a transfer of funds when deemed necessary. As a part of this comprehensive plan, various risk control techniques which include employee accident prevention training have been implemented.

The School Board also continued to maintain its self-insured health and dental program. This program is funded by employee premium payments and supplemented by benefits paid from the 1967 Sales Tax Accounts. As a comprehensive part of this plan it is administered and monitored by a third party administrator who employs various risk control measures.

The Group Health Insurance internal service fund had a deficit as a result of uncontrollable increases in claims expense. This deficit decreased from the prior year's deficit of \$153,683 to a deficit of \$60,141 in the current year, a 61% decrease. Increases in premiums are expected to eliminate this deficit in the 1997-1998 fiscal year.

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

### **General Fixed Assets**

The General Fixed Assets Account Group of the School Board is utilized to record those fixed assets used in performance of general School Board functions. The amount represents the original cost of the assets. Depreciation of general fixed assets is not recognized in the accounting system nor are public domain or infrastructures capitalized, as explained in the notes to the financial statement.

### **Independent Audit**

State statutes requires an annual audit by an independent certified public accountant for any auditee receiving at least three million five hundred thousand dollars in one year. The accounting firm of Allen, Green and Company, LLP was selected to conduct the audit. All funds and account groups of the Board presented in this report have been audited by Allen, Green and Company, LLP. The audit has been completed and the auditors' report on the general-purpose financial statements and the accompanying combining and individual fund and account group statements and schedules are included in the Financial Section of this report. In addition, the audit report refers to the Statistical Section, which was prepared by the Business Department and our School Board is solely responsible for its content.

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local Comprehensive Annual Financial Reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The School Board was awarded this Certificate of Achievement for the Comprehensive Annual Financial Report for the year ended June 30, 1996.

### **ASBO Certificate of Excellence**

The Lincoln Parish School Board received the Association of School Business Officials, International Certificate of Excellence in Financial Reporting for the fiscal years ended June 30, 1996. This award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1996 substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International.

The Award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials.

We believe that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1997, which will be submitted to GFOA and ASBO for review, continues to conform to the principles and standards of each organization.

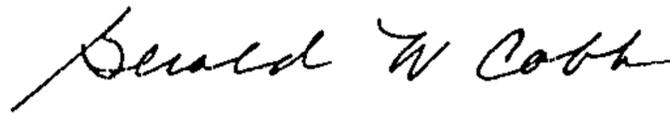
Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

### Acknowledgments

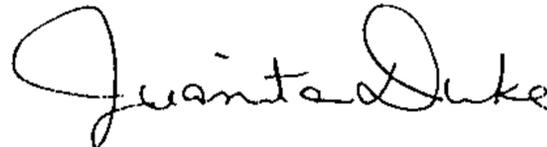
It is our desire that this report contain the necessary information and data which will provide a better understanding of the operations of the school system. It is further hoped that this report has been designed in a manner to be used as an administrative tool and general source of information so as to enhance our accountability to the public.

We would like to take this opportunity to express our sincere appreciation to the staff of the Business Department whose extraordinary efforts contributed significantly in making this report a reality.

Respectfully submitted,



Dr. Gerald W. Cobb  
Superintendent

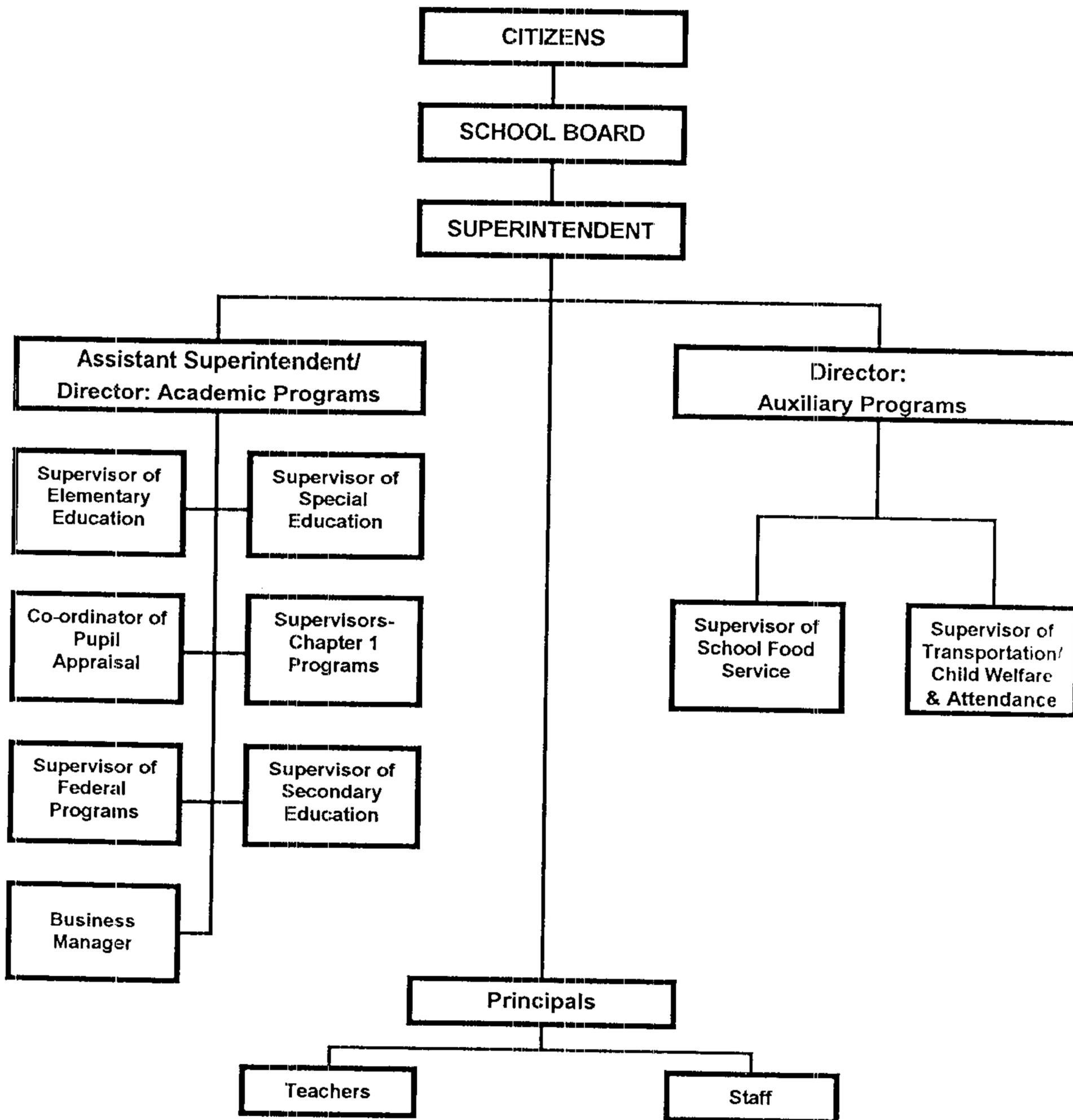


Juanita Duke, CPA  
Business Manager

JD/cd

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

ORGANIZATION CHART



**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**ELECTED OFFICIALS**

June 30, 1997

**President**

Mr. David Wright

Dr. Marty Beasley

Mr. James R. Kessler

Mr. Robert E. Shadoin

Ms. Joe E. Mitcham, Jr.

Mr. Curtis Dowling

**Vice President**

Mr. Wayne Barfield

Mr. Allen Tuten

Mr. George Mack

Mr. William E. Abraham

Mr. Calvin Wilkerson

Mr. Otha Anders

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**ADMINISTRATIVE OFFICIALS**

June 30, 1997

<b>Dr. Gerald W. Cobb</b>	Superintendent
<b>Ronnie Suggs</b>	Assistant Superintendent/Director, Academic Programs/Assistant
<b>Charles Owens</b>	Director, Auxiliary Programs
<b>Danny Bell</b>	Supervisor, Elementary Education
<b>Barbara Kirkland</b>	Supervisor, Federal Programs
<b>Dr. Charles Scriber</b>	Supervisor, Secondary Education
<b>Sharon Thomas</b>	Supervisor, Special Education
<b>Betty Wall</b>	Co-ordinator of Pupil Appraisal
<b>Willie Washington</b>	Administrative Supervisor, Chapter 1
<b>Sallie Evans</b>	Supervisor, Chapter 1
<b>Jackie Whitlock</b>	Supervisor, Chapter 1
<b>Juanita Duke, CPA</b>	Business Manager
<b>Brenda Theodos</b>	Supervisor, School Food Service
<b>Howard Whitlock</b>	Supervisor, Transportation/Child Welfare & Attendance

# ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS



2414 Ferrand Street  
Monroe, Louisiana 71201  
Telephone (318) 388-4422

Post Office Box 6075  
Monroe, Louisiana 71211-6075  
Facsimile (318) 388-4664

Web: <http://www.allengreencpa.com>

Ernest L. Allen, CPA  
(A Professional  
Accounting Corp.)

Tim Green, CPA

Margie Williamson, CPA

## INDEPENDENT AUDITORS' REPORT

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

We have audited the accompanying general-purpose financial statements of Lincoln Parish School Board, Ruston, Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Lincoln Parish School Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lincoln Parish School Board as of June 30, 1997, and the results of operations and cash flows for its proprietary funds for the year then ended, in conformity with generally accepted accounting principles.

As discussed in note 21, during the year ended June 30, 1997, the Lincoln Parish School Board began accruing sales tax collected by vendors in June of 1997 and remitted in July of 1997 in accordance with GASB Statement 22.

In accordance with Government Auditing Standards, we have also issued our report, under separate cover, dated September 11, 1997, on our consideration of the Lincoln Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Lincoln Parish School Board, Ruston, Louisiana, taken as a whole. The accompanying combining and individual fund and account group statements and schedules, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

The information identified in the table of contents as the introductory section and statistical section is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Lincoln Parish School Board, Ruston, Louisiana. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and accordingly we express no opinion on it.

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
September 11, 1997

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS  
Combined Balance Sheet  
June 30, 1997

	*****GOVERNMENTAL FUNDS*****			PROPRIETARY
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TYPE- INTERNAL SERVICE
<b>ASSETS AND OTHER DEBITS</b>				
Assets				
Cash and cash equivalents	\$ 4,891,860	\$ 970,173	\$ 355,825	\$ 261,197
Investments	13,300	0	1,768,000	0
Receivables	905,633	233,365	0	27,570
Due from other funds	241,788	0	0	0
Deposits	102,865	2,500	0	0
Inventory	0	54,743	0	0
Land, buildings and equipment	0	0	0	0
Other debits				
Amount available in debt service fund	0	0	0	0
Amount to be provided for payment of debt	0	0	0	0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 6,155,446</b>	<b>\$ 1,260,781</b>	<b>\$ 2,123,825</b>	<b>\$ 288,767</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
Liabilities				
Accounts, salaries and other payables	\$ 2,264,700	\$ 51,639	\$ 0	\$ 283,442
Due to other funds	0	219,483	22,305	0
Deposits due others	0	0	0	0
Deferred revenues	0	40,335	0	0
Matured bonds	0	0	81,316	0
Notes payable	0	0	0	0
Bonds payable	0	0	0	0
Capital leases payable	0	0	0	0
Compensated absences payable	0	0	0	0
<b>Total Liabilities</b>	<b>\$ 2,264,700</b>	<b>\$ 311,457</b>	<b>\$ 103,621</b>	<b>\$ 283,442</b>
Equity and other credits				
Investments in general fixed assets	\$ 0	\$ 0	\$ 0	\$ 0
Retained earnings (deficit)	0	0	0	(60,141)
Reserved for future claims	0	0	0	65,466
Fund Balances:				
Reserved for inventory	0	25,947	0	0
Reserved for instruction, repairs and construction	473,526	0	0	0
Reserved for salary improvements	22,661	0	0	0
Reserved for bond surplus	13,343	0	0	0
Reserved for debt service	0	0	2,020,204	0
Unreserved and undesignated fund balance	3,381,216	923,377	0	0
<b>Total Equity and other credits</b>	<b>\$ 3,890,746</b>	<b>\$ 949,324</b>	<b>\$ 2,020,204</b>	<b>\$ 5,325</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 6,155,446</b>	<b>\$ 1,260,781</b>	<b>\$ 2,123,825</b>	<b>\$ 288,767</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement A

\*\*\*\*\*ACCOUNT GROUPS\*\*\*\*\*

FIDUCIARY- AGENCY FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
\$ 327,491	\$ 0	\$ 0	\$ 6,806,546
0	0	0	1,781,300
0	0	0	1,166,568
0	0	0	241,788
0	0	0	105,365
0	0	0	54,743
0	36,322,943	0	36,322,943
0	0	2,020,204	2,020,204
0	0	12,912,927	12,912,927
<u>\$ 327,491</u>	<u>\$ 36,322,943</u>	<u>\$ 14,933,131</u>	<u>\$ 61,412,384</u>
\$ 0	\$ 0	\$ 0	\$ 2,599,781
0	0	0	241,788
327,491	0	0	327,491
0	0	0	40,335
0	0	0	81,316
0	0	201,000	201,000
0	0	12,935,000	12,935,000
0	0	403,923	403,923
0	0	1,393,208	1,393,208
<u>\$ 327,491</u>	<u>\$ 0</u>	<u>\$ 14,933,131</u>	<u>\$ 18,223,842</u>
\$ 0	\$ 36,322,943	\$ 0	\$ 36,322,943
0	0	0	(60,141)
0	0	0	65,466
0	0	0	25,947
0	0	0	473,526
0	0	0	22,661
0	0	0	13,343
0	0	0	2,020,204
0	0	0	4,304,593
<u>\$ 0</u>	<u>\$ 36,322,943</u>	<u>\$ 0</u>	<u>\$ 43,188,542</u>
<u>\$ 327,491</u>	<u>\$ 36,322,943</u>	<u>\$ 14,933,131</u>	<u>\$ 61,412,384</u>

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

ALL GOVERNMENTAL FUNDS  
Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1997

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTAL (MEMORANDUM ONLY)
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 2,761,413	\$ 955,072	\$ 1,903,075	\$ 5,619,560
Sales and use	6,079,092	0	0	6,079,092
Interest earnings	347,214	45,982	95,657	488,853
Food service	0	366,291	0	366,291
Other	1,418,311	74,331	0	1,492,642
State sources:				
Equalization	15,757,474	364,035	0	16,121,509
Other	658,992	297,461	0	956,453
Federal sources:				
	125,418	3,200,359	0	3,325,777
Total Revenues	\$ 27,147,914	\$ 5,303,531	\$ 1,998,732	\$ 34,450,177
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	\$ 14,294,264	\$ 0	\$ 0	\$ 14,294,264
Special programs	2,559,650	1,310,824	0	3,870,474
Other instructional programs	1,316,484	269,206	0	1,585,690
Support services:				
Student services	833,764	0	0	833,764
Instructional staff support	1,074,794	300,042	0	1,374,836
General administration	460,666	55,575	57,075	573,316
School administration	1,695,763	0	0	1,695,763
Business services	257,870	0	0	257,870
Plant services	1,202,162	1,029,272	0	2,231,434
Student transportation services	1,740,065	191,290	0	1,931,355
Central services	57,781	0	0	57,781
Food services	258,865	2,078,662	0	2,337,527
Community service program	4,718	0	0	4,718
Facilities acquisition and construction	1,444,024	44,100	0	1,488,124
Debt service:				
Principal retirement	53,232	0	1,189,169	1,242,401
Interest and bank charges	30,857	0	857,094	887,951
Total Expenditures	\$ 27,284,959	\$ 5,278,971	\$ 2,103,338	\$ 34,667,268
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (137,045)	\$ 24,560	\$ (104,606)	\$ (217,091)

(CONTINUED)

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

ALL GOVERNMENTAL FUNDS  
Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1997

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTAL (MEMORANDUM ONLY)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0	\$ 0	\$ 89,902	\$ 89,902
Operating transfers out	0	(89,902)	0	(89,902)
Total Other Financing Sources (Uses)	\$ 0	\$ (89,902)	\$ 89,902	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (137,045)	\$ (65,342)	\$ (14,704)	\$ (217,091)
FUND BALANCES AT BEGINNING OF YEAR AS ORIGINALLY STATED	\$ 3,456,630	\$ 1,014,666	\$ 2,034,908	\$ 6,506,204
PRIOR PERIOD ADJUSTMENT	571,161	0	0	571,161
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	\$ 4,027,791	\$ 1,014,666	\$ 2,034,908	\$ 7,077,365
FUND BALANCES AT END OF YEAR	\$ 3,890,746	\$ 949,324	\$ 2,020,204	\$ 6,860,274

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 2,672,000	\$ 2,761,413	\$ 89,413
Sales and use	5,970,000	6,079,092	109,092
Interest earnings	309,820	347,214	37,394
Other	1,425,500	1,418,311	(7,189)
State sources:			
Equalization	15,748,711	15,757,474	8,763
Other	642,977	658,992	16,015
Federal sources:			
	110,000	125,418	15,418
Total Revenues	<u>\$ 26,879,008</u>	<u>\$ 27,147,914</u>	<u>\$ 268,906</u>
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	\$ 14,536,673	\$ 14,294,264	\$ 242,409
Special programs	2,442,700	2,559,650	(116,950)
Other instructional programs	1,316,700	1,316,484	216
Support services:			
Student services	905,275	833,764	71,511
Instructional staff support	1,063,350	1,074,794	(11,444)
General administration	609,750	460,666	149,084
School administration	1,616,900	1,695,763	(78,863)
Business services	310,500	257,870	52,630
Plant services	1,290,250	1,202,162	88,088
Student transportation services	1,795,322	1,740,065	55,257
Central services	49,050	57,781	(8,731)
Food services	242,565	258,865	(16,300)
Community service program	4,700	4,718	(18)
Facilities acquisition and construction	1,384,700	1,444,024	(59,324)
Debt service:			
Principal retirement	90,584	53,232	37,352
Interest and bank charges	52,509	30,857	21,652
Total Expenditures	<u>\$ 27,711,528</u>	<u>\$ 27,284,959</u>	<u>\$ 426,569</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ (832,520)</u>	<u>\$ (137,045)</u>	<u>\$ 695,475</u>

(CONTINUED)

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 40,000	\$ 0	\$ (40,000)
Total Other Financing Sources (Uses)	\$ 40,000	\$ 0	\$ (40,000)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (792,520)	\$ (137,045)	\$ 655,475
FUND BALANCE AT BEGINNING OF YEAR AS ORIGINALLY STATED	3,450,389	3,456,630	6,241
PRIOR PERIOD ADJUSTMENT	<u>0</u>	<u>571,161</u>	<u>571,161</u>
FUND BALANCE AT BEGINNING OF YEAR AS RESTATED	\$ 3,450,389	\$ 4,027,791	\$ 577,402
FUND BALANCE AT END OF YEAR	<u>\$ 2,657,869</u>	<u>\$ 3,890,746</u>	<u>\$ 1,232,877</u>

(CONTINUED)

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

**GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
Combined Statement of Revenues, Expenditures, and Changes  
in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Statement C  
VARIANCE  
FAVORABLE  
(UNFAVORABLE)

	BUDGET	ACTUAL	STATEMENT C VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 929,000	\$ 955,072	\$ 26,072
Interest earnings	32,900	45,982	13,082
Food service	378,035	366,291	(11,744)
Other	38,850	74,331	35,481
State sources:			
Equalization	364,000	364,035	35
Other	254,515	297,461	42,946
Federal sources:			
	3,372,643	3,200,359	(172,284)
 Total Revenues	 \$ 5,369,943	 \$ 5,303,531	 \$ (66,412)
 <b>EXPENDITURES</b>			
Current:			
Instruction:			
Special programs	\$ 1,465,664	\$ 1,310,824	\$ 154,840
Other instructional programs	207,101	269,206	(62,105)
Support services:			
Instructional staff support	344,323	300,042	44,281
General administration	58,738	55,575	3,163
Plant services	932,626	1,029,272	(96,646)
Student transportation services	171,530	191,290	(19,760)
Food services	2,255,100	2,078,662	176,438
Facilities acquisition and construction	59,240	44,100	15,140
 Total Expenditures	 \$ 5,494,322	 \$ 5,278,971	 \$ 215,351
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ (124,379)	 \$ 24,560	 \$ 148,939
 <b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers out	\$ (89,902)	\$ (89,902)	\$ 0
 Total Other Financing Sources (Uses)	 \$ (89,902)	 \$ (89,902)	 \$ 0
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	 \$ (214,281)	 \$ (65,342)	 \$ 148,939
 FUND BALANCES AT BEGINNING OF YEAR	 1,001,935	 1,014,666	 12,731
 FUND BALANCES AT END OF YEAR	 \$ 787,654	 \$ 949,324	 \$ 161,670

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS  
Combined Statement of Revenues, Expenses  
and Changes in Retained Earnings  
For The Year Ended June 30, 1997

Statement D

OPERATING REVENUE	
Premiums	\$ <u>3,978,899</u>
OPERATING EXPENSES	
Administration	\$ 141,786
Insurance expense	397,236
Claims	<u>3,396,925</u>
Total operating expenses	\$ <u>3,935,947</u>
Operating income (loss)	\$ 42,952
NONOPERATING REVENUES	
Earnings on investments	<u>6,316</u>
Net income (loss)	\$ 49,268
RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR	<u>(43,943)</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 5,325</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS  
Combined Statement of Cash Flows  
For the Year Ended June 30, 1997

Statement E

CASH FLOW FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ 42,952
Adjustments to reconcile operating income to net cash provided (used) for operating activities	
Increase (decrease) in payable	5,610
(Increase) decrease in receivable	<u>(22,213)</u>
Net cash provided (used) for operating activities	\$ <u>26,349</u>
 CASH FLOW FROM INVESTING ACTIVITIES	
Earnings on investments	\$ <u>6,316</u>
Net cash provided (used) by investing activities	\$ <u>6,316</u>
Net (increase) decrease in cash and cash equivalents	\$ 32,665
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>228,532</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>261,197</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**BIENVILLE PARISH SCHOOL BOARD**  
**Arcadia, Louisiana**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

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**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY**

The Lincoln Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Lincoln Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of twelve members who are elected from twelve districts for terms of four years.

The School Board operates thirteen schools within the parish with a total enrollment of approximately 7,164 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issued bonded debt. The School Board also has no *component units*, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

**B. FUNDS AND ACCOUNT GROUPS**

The accounts of the School Board are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The funds of the School Board are classified into three categories: governmental, proprietary and fiduciary. In turn, each category is divided into separate fund types. The fund and account group classifications and a description of each existing fund type follow:

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. FUNDS AND ACCOUNT GROUPS (Continued)**

**Governmental Funds**

Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

**General fund** — the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

**Special revenue funds** — accounts for revenue sources that are legally restricted to expenditures for specified purposes (not including expendable trusts or major capital projects).

**Debt service funds** — accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

**Proprietary Funds**

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary fund(s) include the following:

**Internal service funds** — accounts for operations that provide services other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

**Workers' compensation fund** — This fund, which began in fiscal year 1991, is used to account for the payment of workers' compensation benefits. Fund revenues are derived from government allocations. These revenues are planned to match: (1) expenses of insurance premiums in excess of risk retention amounts; (2) estimated claim losses resulting from risk retention programs which include estimated liabilities for claims incurred but not yet reported at year end, and (3) operating expenses.

**Group health insurance fund** — Monies in this fund are received from three sources: employee deductions from payroll, 1967 sales tax fund and the state of Louisiana. Monies are used to pay employee health insurance claims, the administrative cost to the insurance administrator for administration of the plan and processing medical claims, cost of excess and specific insurance to protect the fund from exposure to large claims, hospital pre-certification, and life insurance with an insurance carrier.

LINCOLN PARISH SCHOOL BOARD

Ruston, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Fiduciary Funds

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Trust funds account for assets held by the government under the terms of a formal trust agreement.

*Agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity. The agency fund is as follows:

**School activity agency fund** — accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Account Groups

The *general fixed assets account group* is used to account for fixed assets not accounted for in proprietary or trust funds.

The *general long-term debt account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

**Governmental Funds**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Governmental Funds (Continued)

Revenues

Ad valorem taxes and sales taxes are susceptible to accrual.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees who elect to be paid over twelve months are accrued at June 30.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**Proprietary Funds**

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

**Fiduciary Funds**

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the School Board holds for others in an agency capacity.

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. DEFERRED REVENUES**

The School Board reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

**E. BUDGETS**

The following summarizes the budget activities of the School Board during the year ended June 30, 1997:

Completed and available for public inspection	August 16, 1996
Public notices	August 16, 1996
Public hearings	September 3, 1996
Board adoption	September 3, 1996

1. The School Board adopted budgets for the general fund and all special revenue funds.
2. The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.
3. Encumbrances are not recognized within the accounting records for budgetary control purposes.
4. Formal budget integration (within the accounting records) is employed as a management control device.
5. The budget document is structured such that revenues are budgeted by source and appropriations by function. The level of budgetary control (that is, the level which expenditures cannot legally exceed the appropriated amount) is established at the functional level within an individual fund. School Board policy provides that expenditures may not exceed appropriations on a functional basis. Management is authorized to transfer amounts within the functional categories without Board approval. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the Board.

**F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in investments with original maturities of ninety days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the School Board may invest in United States Bonds, Treasury Notes or Certificates. These are classified as investments if their original maturities exceed ninety days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**I. INVENTORY**

Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. Inventory of the school food service fund is accounted for on the consumption method. Inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture. Revenues related to commodities which are not consumed as of the date of the balance sheet are reflected as deferred revenues since title does not pass to the School Board until the commodities are consumed. Inventories are offset by a fund balance reserve which indicates that these do not constitute "available spendable resources", even though they are a component of total assets.

Acquisition of materials and supplies other than the food purchases are accounted for on the purchase method, that is, the expenditures are charged when the items are purchased. The value of these materials and supplies, except for the food purchased in the school food service special revenue fund, are not considered significant at June 30, 1997, and their value is not shown in the accompanying balance sheet.

**J. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures such as sidewalks and parking lots are not capitalized. Interest cost incurred during construction is not capitalized. Depreciation has not been provided on general fixed assets.

Approximately \$34,081,298 or 94 percent of fixed assets are valued at actual historical cost while the remaining \$2,241,645, or 6 percent, are valued at estimated historical cost.

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. COMPENSATED ABSENCES**

All twelve-month employees earn from ten to fifteen days of vacation leave each year, depending on their length of service with the School Board. Vacation leave may be accumulated and carried forward to the next calendar year. However, upon termination, no payments are made to employees for unused vacation leave. Nine-month employees earn two work days of personal leave per academic year, which is non-cumulative.

All School Board employees earn from ten to eighteen days of sick leave each year, depending upon the number of months employed. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service.

Leave benefits are based on accrued leave benefits of employees with ten years service to a maximum of twenty-five days at their current annual salary.

The School Board's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' right to receive compensation are attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

**LINCOLN PARISH SCHOOL BOARD**  
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**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. COMPENSATED ABSENCES (Continued)**

B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Sabbatical leave benefits are recorded as expenditures in the period paid.

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is reported in the general long-term debt account group.

**L. LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

**M. FUND EQUITY**

Reserves — Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

**N. INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. SALES TAXES**

The School Board receives a one and one half cent sales and use tax. The tax is collected by the Lincoln Parish Sales and Use Tax Commission and is remitted to the School Board the same month the tax is collected. The sales and use tax is recorded as revenue in the general fund.

A one-half cent sales and use tax, approved September 12, 1967, is dedicated to supplement other revenues available for the payment of salaries of teachers in the public elementary and secondary schools and for the expenditures of operating said schools, such operating expenditures to include payment of other personnel employed by the School Board in addition to teachers.

Another one-half cent sales and use tax, approved May 19, 1979, and rededicated March 8, 1988, was dedicated as follows:

Two-thirds is for paying salaries of certified and non-certified employees of the School Board above their base pay and paying retirement and other benefits for said employees.

One-third is for constructing, acquiring, erecting, improving and/or repairing schools and school-related facilities and for paying the cost of utilities therefor, and for improving instruction, providing instructional materials and student services and curriculum enrichment, including salaries for overstaffed instructional positions, in and for the public schools.

The third one-half cent sales and use tax, approved January 16, 1993, is dedicated for the purpose of paying institutional and support staff salaries and benefits, including but not limited to salaries and benefits, including but not limited to salaries and benefits for elementary school librarians, elementary school vocal music instructors, and elementary coordinators.

**P. CLAIMS AND JUDGEMENTS**

Losses resulting from claims and judgements are estimated in accordance with Governmental Accounting Standards Board No. 10. The liability for such losses is recorded in the internal service funds. Incurred but not reported claims as of June 30, 1997 have been considered in determining the accrued liability.

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Q. MEMORANDUM ONLY - TOTAL COLUMNS**

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**R. ADOPTION OF GASB PRONOUNCEMENTS**

The School Board was required to adopt GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting" (GASB 20), in fiscal year 1995. GASB 20 allows the School Board to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements, or to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989. The School Board has elected to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

**S. NEW APPLICABLE GASB PRONOUNCEMENTS**

In November 1994, the GASB issued Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" (GASB 27). GASB 27 prescribes changes in pension accounting and disclosure requirements for employers participating in single employer/agent multiple defined benefit plans, cost sharing multiple employer defined benefit plans, and defined contribution plans. The School Board participates in a cost-sharing multiple-employer defined benefit plan. GASB 27 is effective for fiscal years beginning after June 15, 1997. The School Board has not yet determined the effects of adoption.

**T. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

**LINCOLN PARISH SCHOOL BOARD**  
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**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 2 - FUND DEFICITS**

The Group Health Insurance internal service fund had a fund deficit at year end of \$60,141. The deficit is expected to be erased by premiums in the 1997-1998 fiscal year.

The Ruston No. 1 Maintenance & Operations special revenue fund had a fund deficit at year end of \$566. The deficit is expected to be eliminated by ad valorem revenues in the 1997-1998 fiscal year.

**NOTE 3 - EXPENDITURES - ACTUAL AND BUDGET**

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 1997:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Special Revenue Funds:			
Title I	\$ 28,612	\$ 29,171	\$ 559
Parishwide maintenance	828,135	831,988	3,853
Ruston No. 1 Maintenance and Operation	232,200	279,271	47,071
Simsboro No. 3 Maintenance and Operation	35,500	57,286	21,786
Dubach No. 5 Maintenance and Operations	55,800	66,731	10,931
Special Programs	455,684	549,994	94,310

**NOTE 4 - LEVIED TAXES**

The School Board levies taxes on real and business personal property located within Lincoln Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Lincoln Parish Tax Assessor and approved by the state of Louisiana Tax Commission.

The Lincoln Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Assessment date	January 1, 1996
Tax bills mailed	On or about November 25, 1996
Total taxes are due	December 31, 1996
Lien date	January 1, 1997
Penalties and interest are added	January 1, 1997
Tax sale	May 1, 1997

**LINCOLN PARISH SCHOOL BOARD**  
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**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 4 - LEVIED TAXES (Continued)**

Assessed values are established by the Lincoln Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1996. Total assessed value was \$158,793,640 for the 1996 calendar year. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$38,417,140 of the assessed value in calendar year 1996.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general, special revenue funds (maintenance funds) and debt service funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy.

Delinquent taxes considered to be uncollectible are not recorded as revenues. Property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year end.

The tax roll is not prepared by the tax assessor until November of each year; therefore, the amount of 1997 property taxes to be collected within the next year is not known. As a result, no property tax receivable for 1997 taxes is included on the accompanying combined balance sheet.

**LINCOLN PARISH SCHOOL BOARD**  
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**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 4 - LEVIED TAXES (Continued)**

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

	<u>Date of Voter Approval</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:				
Constitutional	Statutory	4.95	4.95	Statutory
Special Maintenance and Operation	Jan. 21, 1989	5.22	5.10	1998
Special repair and equipment	Jan. 21, 1989	5.22	5.10	1998
Maintenance and operation	Jan. 16, 1993	12.00	12.00	2002
District taxes:				
Maintenance and Operations				
Ruston School District #1	Apr. 5, 1994	3.05	3.01	2003
Simsboro School District #3	July 2, 1985	3.00	2.98	1995
Dubach School District #5	Jan. 21, 1989	3.00	3.02	1998
District taxes: (Continued)				
Bond and Interest				
Ruston School District #1		Variable	17.00	2005
Simsboro School District #3		Variable	16.20	2006
Choudrant School District #6		Variable	43.00	2007

The difference between authorized and levied millages are the result of the reassessment of taxable property required by Article 7, Section 23 of the Louisiana Constitution of 1974.

**NOTE 5 - DEPOSITS**

At June 30, 1997, the School Board has cash and cash equivalents (book balances) totaling \$6,806,546 as follows

Demand deposit	\$5,274,350
Interest-bearing demand deposits	1,438,220
Time deposits	<u>50,000</u>
 Total deposits	 6,762,570
 Cash with paying agent	 <u>43,976</u>
 Total cash and cash equivalents	 <u>\$6,806,546</u>

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 5 - DEPOSITS (Continued)**

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The School Board maintains a sweep account for the operating funds of the School Board. Each fund's cash account is swept daily for excess cash. Excess amounts are invested in repurchase agreements consisting of United States government treasury bills, treasury notes, and certificates of deposit. The U. S. government investments are held in the School Board's name through a book-entry system at the Federal Reserve Bank, therefore, these investments were considered to be Category 1 which includes investments that are collateralized with securities held by the pledging financial institution's trust department or its safekeeping agent in the School Board's name. In accordance with GASB Statement 3, which states that repurchase agreements are similar to collateralized deposits, the School Board treats these repurchase agreements as deposits.

At year-end, the School Board's carrying amount of deposits was \$6,762,570 and the bank balance was \$11,934,346. Of the bank balance, \$9,275,144 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). The remaining balance, \$2,659,202 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 6 - INVESTMENTS**

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the School Board or its agent in the School Board's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the School Board's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the School Board's name.

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**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 6 - INVESTMENTS (Continued)**

At year end, the School Board investment balances were as follows:

<u>Type of investment</u>	<u>Category</u>			<u>Carrying Amount</u>			<u>Total Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Amortized Cost</u>	<u>Cost</u>	
Certificate of deposit	<u>\$1,781,300</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,781,300</u>	<u>\$1,781,300</u>
Total	<u>\$1,781,300</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,781,300</u>	<u>\$1,781,300</u>

Due to higher cash flows at certain times during the year, the School Board's investment in U. S. treasury bills for which the underlying securities were held by the School Board, increased significantly. As a result, the amounts that were in category 1 at those times were substantially higher than at year end.

**NOTE 7 - RECEIVABLES**

The receivables of \$1,166,568 at June 30, 1997, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
Intergovernmental - grants:				
Federal	\$ 86,960	\$203,268	\$ 0	\$ 290,228
State	59,672	30,097	0	89,769
Stop-loss receivable	0	0	27,570	27,570
Insurance proceeds	198,259	0	0	198,259
Sales and use tax	<u>560,742</u>	<u>0</u>	<u>0</u>	<u>560,742</u>
Total	<u>\$905,633</u>	<u>\$233,365</u>	<u>\$27,570</u>	<u>\$1,166,568</u>

**LINCOLN PARISH SCHOOL BOARD**  
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**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 8 - FIXED ASSETS**

The changes in general fixed assets are as follows:

	Balance <u>July 1, 1996</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 1997</u>
Land	\$ 360,835	\$ 0	\$ 0	\$ 360,835
Buildings	27,267,215	0	577,349	26,689,866
Improvements other than buildings	84,322	0	0	84,322
Furniture and equipment	5,034,495	852,918	0	5,887,413
Vehicles	1,810,310	212,150	82,146	1,940,314
Construction in Progress	<u>0</u>	<u>1,360,193</u>	<u>0</u>	<u>1,360,193</u>
Total	<u>\$34,557,177</u>	<u>\$2,425,261</u>	<u>\$659,495</u>	<u>\$36,322,943</u>

**NOTE 9 - RETIREMENT SYSTEMS**

Substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates and benefit provisions approved by the Louisiana Legislature. Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age sixty with ten years of service, or at any age with twenty years of service. The formula for annual maximum retirement benefits is generally 2% (with less than twenty-five years of service) or 2.5% (with twenty-five or more years of service) times the years of creditable service times the average salary of the thirty-six highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age fifty-five with at least twenty-five years of creditable service and at age sixty with at least ten years of creditable service. The retirement benefit formula is generally 3% times the years of creditable service times the average salary of the thirty-six highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after thirty years of service, or after twenty-five years of service at age fifty-five or after ten years of service at age sixty. The maximum retirement allowance is computed at 2.5% times the highest thirty-six months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

**LINCOLN PARISH SCHOOL BOARD**  
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**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 9 - RETIREMENT SYSTEMS (Continued)**

Benefits of the systems are funded by employee and employer contributions. The contribution rates (as a percentage of covered salaries) are established by state law as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.00%	16.30%
Plan A	9.10%	16.30%
Louisiana School Employees' Retirement System	6.35%	6.00%

The School Board's employer contribution for the TRS, as provided by state law, is funded by the state of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by the state of Louisiana through annual appropriations.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan A, the employer's contribution for the Professional Improvement Program (PIP) portion of payroll. The PIP contribution is made directly to the retirement system by the state of Louisiana.

Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. For the year ended June 30, 1997, the total payroll for the School Board amounted to \$19,843,388. The employee and employer contributions and total current-year payroll of covered employees for 1997, are as follows:

	.....TRS.....			
	<u>Regular</u>	<u>Plan A</u>	<u>LSERS</u>	<u>Total</u>
Employee contribution	\$ 1,267,120	\$ 56,106	\$ 101,762	\$ 1,424,988
Employer contribution	2,581,762	31,323	107,699	2,720,784
Total covered current-year payroll	15,839,016	344,212	1,696,014	17,879,242

Although contributions are determined by statute, actuarial contributions are determined for the Systems. For the year ended June 30, 1996, the latest information available, the Systems' (TRS and LSERS) actuarially required contribution from all sources was \$401.0 million and \$12.9 million, respectively. The required School Board's contribution represents 17.79 and 6.12 percent, respectively, of salaries for the year ended June 30, 1996.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to-date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the Systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The Systems do not make separate measurements of assets and pension benefit obligations for individual employers.

**LINCOLN PARISH SCHOOL BOARD**  
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**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 9 - RETIREMENT SYSTEMS (Continued)**

The pension benefit obligations at June 30, 1997 for the Systems, each as a whole, the Systems' net assets available for benefits on that date (valued at market), and the resulting unfunded (overfunded) pension benefit obligations were as follows:

	<u>Teachers' Retirement System</u>	<u>School Employees' Retirement System</u>
Pension Benefit Obligation	\$11,232,762,000	\$ 970,569,414
Net Assets Available for Benefits	<u>7,056,608,000</u>	<u>1,089,962,911</u>
Unfunded (Overfunded) Pension Benefit Obligation	<u>\$ 4,176,154,000</u>	<u>\$( 119,393,497)</u>

The School Board's total actuarially determined contribution requirements as a percentage of total contributions required of all entities for the year ended June 30, 1997 were as follows:

Teachers' Retirement System	1.26%
School Employees' Retirement System	1.76%

Ten-year historical trend information showing the Systems' progress in accumulating sufficient assets to pay benefits when due is presented in the Systems' June 30, 1996 comprehensive annual financial reports, which is the latest available report. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana  
Post Office Box 94123  
Baton Rouge, Louisiana 70804-9123  
(504) 925-6446

Louisiana School Employees' Retirement System  
Post Office Box 44516  
Baton Rouge, Louisiana 70804  
(504) 925-6484

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS**

In accordance with state statutes, the Lincoln Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees were provided through a self-insurance program, whose monthly premiums are paid jointly by the employees and the School Board. The cost of retiree benefits totaled \$528,640 for 1997 for approximately 279 retirees.

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 11 - ACCOUNTS, SALARIES AND OTHER PAYABLES**

The payables of \$2,599,781 at June 30, 1997, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Salaries and withholding	\$1,990,383	\$ 0	\$ 0	\$1,990,383
Accounts	274,317	51,639	0	325,956
Incurred but not reported claims	<u>0</u>	<u>0</u>	<u>283,442</u>	<u>283,442</u>
Total	<u>\$2,264,700</u>	<u>\$51,639</u>	<u>\$283,442</u>	<u>\$2,599,781</u>

**NOTE 12 - COMPENSATED ABSENCES**

At June 30, 1997, employees of the School Board have accumulated and vested \$1,393,208 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability of \$1,393,208 is recorded within the general long-term debt account group.

**NOTE 13 - LEASES**

The School Board records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of equipment under capital leases:

<u>Type</u>	<u>13 Buses</u>	<u>5 Buses</u>	<u>Total</u>
School buses	<u>\$447,546</u>	<u>\$190,269</u>	<u>\$637,815</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 1997:

<u>Years ending June 30,</u>	<u>13 Buses</u>	<u>5 Buses</u>	<u>Total</u>
1998	\$ 59,004	\$ 25,085	\$ 84,089
1999	59,004	25,085	84,089
2000	59,004	25,085	84,089
2001	59,004	25,085	84,089
2002	59,004	25,085	84,089
2003	59,004	25,085	84,089
Total minimum lease payments	<u>354,024</u>	<u>150,510</u>	<u>504,534</u>
Less amounts representing interest	<u>70,599</u>	<u>30,012</u>	<u>100,611</u>
Present value of net minimum lease payments	<u>\$283,425</u>	<u>\$120,498</u>	<u>\$403,923</u>

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 14 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

A summary of changes in school activity agency fund deposits due others for the year ended June 30, 1997 is as follows:

	<u>Balance</u> <u>July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1997</u>
Agency funds:				
School activity	<u>\$274,692</u>	<u>\$1,275,083</u>	<u>\$1,222,284</u>	<u>\$327,491</u>

**NOTE 15 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended June 30, 1997:

	<u>Notes</u> <u>Payable</u>	<u>Bonds</u> <u>Payable</u>	<u>Capital Leases</u> <u>Payable</u>	<u>Compensated</u> <u>Absences</u>	<u>Total</u>
Balance, July 1, 1996	\$ 210,169	\$ 14,115,000	\$ 457,155	\$ 1,282,568	\$ 16,064,892
Additions	0	0	0	288,412	288,412
Deductions	<u>( 9,169)</u>	<u>(1,180,000)</u>	<u>( 53,232)</u>	<u>( 177,772)</u>	<u>( 1,420,173)</u>
Balance, June 30, 1997	<u>\$ 201,000</u>	<u>\$ 12,935,000</u>	<u>\$ 403,923</u>	<u>\$ 1,393,208</u>	<u>\$ 14,933,131</u>

All School Board bonds outstanding at June 30, 1997, in the amount of \$12,935,000, are general obligation bonds with maturities from 1997 to 2007 and interest rates from 2.6 to 10.00 percent. Bond principal and interest payable in the next fiscal year are \$1,255,000 and \$741,107, respectively. The individual issues are as follows:

	<u>Original</u> <u>Issue</u>	<u>Interest</u> <u>Rates</u>	<u>Final</u> <u>Payment</u> <u>Due</u>	<u>Interest</u> <u>to</u> <u>Maturity</u>	<u>Principal</u> <u>Outstanding</u> <u>June 30, 1997</u>
RUSTON NO. 1:					
December 1, 1991	\$11,930,000	4.50 - 6.40%	2005	\$2,824,723	\$ 9,450,000
SIMSBORO NO. 3:					
February 1, 1978	710,000	5.00 - 5.50%	2003	57,475	285,000
November 1, 1993	1,670,000	2.60 - 4.30%	2006	344,368	1,470,000
CHOUDRANT NO. 6:					
February 1, 1978	530,000	5.00 - 5.50%	2003	43,175	215,000
April 1, 1987	535,000	6.75 - 10.00%	2007	192,845	435,000
November 1, 1993	1,255,000	2.60 - 4.30%	2006	242,353	1,080,000
SERIES 1995 SINKING	265,000	5.34%	2000	<u>20,955</u>	<u>201,000</u>
Total				<u>\$3,725,894</u>	<u>\$13,136,000</u>

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 15 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (Continued)**

All bond principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. The notes payable are funded by the Title I federal program. At June 30, 1997, the School Board has accumulated \$2,020,204 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending <u>June 30,</u>	<u>Notes</u>		<u>Bonds</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
1998	\$ 50,000	\$10,306	\$ 1,255,000	\$ 741,107	\$ 2,056,413
1999	53,000	7,556	1,335,000	672,800	2,068,356
2000	56,000	3,093	1,420,000	598,978	2,078,071
2001	42,000	0	1,515,000	519,272	2,076,272
2002	0	0	1,625,000	433,045	2,058,045
Thereafter	<u>0</u>	<u>0</u>	<u>5,785,000</u>	<u>739,735</u>	<u>6,524,735</u>
Total	<u>\$201,000</u>	<u>\$20,955</u>	<u>\$12,935,000</u>	<u>\$3,704,937</u>	<u>\$16,861,892</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 33 percent of the assessed value of taxable property. At June 30, 1997, the statutory limit is \$52,401,901, and outstanding net bonded debt totals \$10,914,796.

**NOTE 16 - INTERFUND TRANSACTIONS**

**Due Froms/Due Tos:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Special revenue funds:	
	Title I	\$147,273
	Title VI	3,649
	Adult Education	7,668
	Title II	7,281
	Special Programs	52,025
	Title IV (Drug Free)	1,587
	Debt service funds:	
	Series 1995 Sinking	<u>22,305</u>
	Total	<u>\$241,788</u>

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 16 - INTERFUND TRANSACTIONS (Continued)**

<b>Operating Transfers</b>	<u>In</u>	<u>Out</u>
Special revenue funds:		
Title I	\$ 0	\$89,902
Debt service funds:		
Series 1995 Sinking	<u>89,902</u>	<u>0</u>
Total	<u>\$89,902</u>	<u>\$89,902</u>

**NOTE 17 - RESERVED AND DESIGNATED FUND BALANCES**

**Reserved for Instruction, Repairs and Construction**

One-third of the one-half cent sales tax, approved May 19, 1979, and rededicated March 8, 1988, is dedicated for constructing, acquiring, erecting, improving, and/or repairing schools and school-related facilities, and for paying the cost of utilities therefore, and for improving instruction, providing instructional materials and student services and curriculum enrichment, including salaries for overstaffed instructional positions, in and for the public schools.

**Reserved for Salary Improvements**

Two-thirds of the one-half cent sales tax, approved May 19, 1979, and rededicated March 8, 1988, and the one-half cent sales tax approved January 16, 1993, is dedicated for paying salaries, retirement and other benefits.

**Reserved for Bond Surplus**

This reservation represents the residue of the Dubach District No. 5 debt service fund after all bond and interest obligations were paid off. These funds can only be used in the same manner in which the original bond issue was approved by the voters.

**Reserved for Inventory**

This amount represents the portion of fund balance relating to inventory on hand which is therefore unavailable to be expended for other purposes.

**Reserved for Debt Service**

This balance is reserved for the payment of principal and interest on bonded debt.

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 18 - LITIGATION AND CLAIMS**

**Litigation**

At June 30, 1997, the School Board is involved in various litigation. It is the opinion of management and legal counsel for the School Board that potential claims against the School Board not covered by insurance would not materially affect the financial statements.

**Self-Insurance**

The School Board is partially self-insured for workers' compensation, and health insurance coverage. Claims are funded through employee contributions and operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company for claims in excess of \$150,000 and \$75,000 per occurrence for workers' compensation insurance coverage, and for health coverage, respectively. All known claims filed and an estimate of incurred but not reported claims based on experience of the School Board are made and accrued as necessary in the financial statements.

**Grant Disallowance**

The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**Tax Arbitrage Rebate**

Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

**Construction Projects**

The construction of a new auditorium at Ruston High School was in progress at year-end. The construction cost is being funded by the general fund. Costs incurred on this project and estimated total cost to complete are \$1,360,193 and \$207,000, respectively, as of June 30, 1997.

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 19 - RISK MANAGEMENT**

The School Board initiated a risk management program for workers' compensation in fiscal year 1991. Premiums are paid into the workers' compensation internal service fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 1996, a total of \$70,796 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$150,000. An amount for self-insurance losses of \$23,841 has been accrued as a liability and was calculated by the third-party administrator. Interfund premiums are based primarily upon the individual funds' claims experience and are reported as expenditures in the individual funds.

The internal service fund - workers' compensation incurred a net loss for the fiscal year 1997 of \$(44,274) and at June 30, 1997 had a retained earnings of \$65,466.

The School Board initiated a risk management program for employees health insurance in fiscal year 1992. Premiums are paid into the group health insurance internal service fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 1997, a total of \$3,326,129 and \$141,786, respectively, was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$75,000. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds. The incurred but not reported claims at year end of \$259,601 has been accrued as a liability based upon the third party administrator's calculation using historical claim experience.

The internal service fund - group health insurance incurred a net income during the fiscal year 1997 of \$93,542 and at June 30, 1997, had a retained deficit of \$60,141.

Changes in the claims amount in previous fiscal years were as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Balance at Fiscal Year-End</u>
Workers' Compensation:				
1995-1996	\$ 10,953	\$ 47,925	\$ 44,499	\$ 14,379
1996-1997	14,379	80,259	70,797	23,841
Health Insurance:				
1995-1996	241,291	3,202,707	3,180,545	263,453
1996-1997	263,453	3,322,277	3,326,129	259,601

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 20 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES**

On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$47,106. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

**NOTE 21 - PRIOR-PERIOD ADJUSTMENT**

The School Board has reported sales tax revenue in prior years as the amounts were collected from vendors. In accordance with Statement No. 22 of the Governmental Accounting Standards Board, Accounting for Taxpayer - Assessed Tax Revenues in Governmental Funds, sales tax revenue is to be recognized when the underlying transaction occurs (when the vendor sells the product to the customer) rather than when the monies are physically collected by the School Board which is typically in the month following the sale. \$571,161 was collected in June 1996 and remitted to the School Board in July 1996. This amount pertains to prior-year revenues and is treated as a correction of the prior-period financial statements.

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**GENERAL FUND**

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

GENERAL FUND ACCOUNTS  
Combining Balance Sheet  
June 30, 1997

	<u>GENERAL ACCOUNTS</u>	<u>BOND SURPLUS ACCOUNTS</u>	<u>1967 SALES TAX ACCOUNTS</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,467,713	\$ 43	\$ 2,732
Investments	0	13,300	0
Receivables	344,891	0	186,914
Due from other funds	241,788	0	0
Deposits	102,865	0	0
<b>TOTAL ASSETS</b>	<u>\$ 3,157,257</u>	<u>\$ 13,343</u>	<u>\$ 189,646</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities:</b>			
Accounts, salaries and other payables	\$ 2,247,796	\$ 0	\$ 872
<b>Total Liabilities</b>	<u>\$ 2,247,796</u>	<u>\$ 0</u>	<u>\$ 872</u>
<b>Equity</b>			
<b>Fund Balances:</b>			
Reserved for instruction, repairs and construction	\$ 0	\$ 0	\$ 0
Reserved for salary improvements	0	0	0
Reserved for bond surplus	0	13,343	0
Unreserved and undesignated fund balance	909,461		188,774
<b>Total Equity</b>	<u>\$ 909,461</u>	<u>\$ 13,343</u>	<u>\$ 188,774</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 3,157,257</u>	<u>\$ 13,343</u>	<u>\$ 189,646</u>

Exhibit 1

1979 SALES TAX ACCOUNTS	1993 SALES TAX ACCOUNTS	1993 AD VALOREM TAX ACCOUNTS	TOTAL
\$ 509,166	\$ 885,172	\$ 1,027,034	\$ 4,891,860
0	0	0	13,300
186,914	186,914	0	905,633
0	0	0	241,788
0	0	0	102,865
<u>\$ 696,080</u>	<u>\$ 1,072,086</u>	<u>\$ 1,027,034</u>	<u>\$ 6,155,446</u>
\$ 3,650	\$ 1,645	\$ 10,737	\$ 2,264,700
<u>\$ 3,650</u>	<u>\$ 1,645</u>	<u>\$ 10,737</u>	<u>\$ 2,264,700</u>
\$ 473,526	\$ 0	\$ 0	\$ 473,526
22,661	0	0	22,661
	0	0	13,343
<u>196,243</u>	<u>1,070,441</u>	<u>1,016,297</u>	<u>3,381,216</u>
\$ 692,430	\$ 1,070,441	\$ 1,016,297	\$ 3,890,746
<u>\$ 696,080</u>	<u>\$ 1,072,086</u>	<u>\$ 1,027,034</u>	<u>\$ 6,155,446</u>

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

GENERAL FUND ACCOUNTS  
Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1997

	GENERAL ACCOUNTS	BOND SURPLUS ACCOUNTS	1967 SALES TAX ACCOUNTS
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 1,311,608	\$ 0	\$ 0
Sales and use	0	0	2,026,364
Interest earnings	139,652	570	11,439
Other	1,399,051	0	0
State sources:			
Equalization	15,757,474	0	0
Other	658,992	0	0
Federal sources:			
	125,418	0	0
 Total Revenues	 \$ 19,392,195	 \$ 570	 \$ 2,037,803
 <b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	\$ 10,141,401	\$ 0	\$ 1,152,771
Special programs	1,827,870	0	327,137
Other instructional programs	900,584	0	81,035
Support services:			
Student services	670,953	0	51,577
Instructional staff support	746,775	0	57,224
General administration	233,932	0	36,309
School administration	1,329,716	0	113,945
Business services	216,466	0	15,629
Plant services	671,357	0	63,124
Student transportation services	1,343,668	0	108,919
Central services	51,658	0	1,234
Food services	5,478	0	51,535
Community service program	4,718	0	0
Facilities acquisition and construction	1,444,024	0	0
Debt service:			
Principal retirement	15,880	0	0
Interest and bank charges	9,205	0	0
 Total Expenditures	 \$ 19,613,685	 \$ 0	 \$ 2,060,439
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ (221,490)	 \$ 570	 \$ (22,636)

Exhibit 2

1979 SALES TAX ACCOUNTS	1993 SALES TAX ACCOUNTS	1993 AD VALOREM TAX ACCOUNTS	TOTAL
\$ 0	\$ 0	\$ 1,449,805	\$ 2,761,413
2,026,364	2,026,364	0	6,079,092
58,842	89,781	46,930	347,214
0	0	19,260	1,418,311
0	0	0	15,757,474
0	0	0	658,992
0	0	0	125,418
<u>\$ 2,085,206</u>	<u>\$ 2,116,145</u>	<u>\$ 1,515,995</u>	<u>\$ 27,147,914</u>
\$ 1,184,844	\$ 1,268,851	\$ 546,397	\$ 14,294,264
147,482	226,885	30,276	2,559,650
133,750	162,680	38,435	1,316,484
43,751	58,116	9,367	833,764
199,469	59,933	11,393	1,074,794
32,931	29,871	127,623	460,666
106,444	93,264	52,394	1,695,763
11,869	10,916	2,990	257,870
49,991	69,717	347,973	1,202,162
76,099	115,161	96,218	1,740,065
2,184	2,705	0	57,781
90,536	111,316	0	258,865
0	0	0	4,718
0	0	0	1,444,024
0	0	37,352	53,232
0	0	21,652	30,857
<u>\$ 2,079,350</u>	<u>\$ 2,209,415</u>	<u>\$ 1,322,070</u>	<u>\$ 27,284,959</u>
\$ 5,856	\$ (93,270)	\$ 193,925	\$ (137,045)

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

**GENERAL FUND ACCOUNTS**  
Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1997

	<u>GENERAL ACCOUNTS</u>	<u>BOND SURPLUS ACCOUNTS</u>	<u>1967 SALES TAX ACCOUNTS</u>
FUND BALANCES AT BEGINNING OF YEAR AS ORIGINALLY STATED	\$ 1,130,951	\$ 12,773	\$ 21,023
PRIOR PERIOD ADJUSTMENT	<u>0</u>	<u>0</u>	<u>190,387</u>
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	<u>\$ 1,130,951</u>	<u>\$ 12,773</u>	<u>\$ 211,410</u>
FUND BALANCES AT END OF YEAR	<u>\$ 909,461</u>	<u>\$ 13,343</u>	<u>\$ 188,774</u>

Exhibit 2

<u>1979</u> <u>SALES TAX</u> <u>ACCOUNTS</u>	<u>1993</u> <u>SALES TAX</u> <u>ACCOUNTS</u>	<u>1993</u> <u>AD VALOREM</u> <u>TAX ACCOUNTS</u>	<u>TOTAL</u>
\$ 496,187	\$ 973,324	\$ 822,372	\$ 3,456,630
<u>190,387</u>	<u>190,387</u>	<u>0</u>	<u>571,161</u>
\$ 686,574	\$ 1,163,711	\$ 822,372	\$ 4,027,791
<u>\$ 692,430</u>	<u>\$ 1,070,441</u>	<u>\$ 1,016,297</u>	<u>\$ 3,890,746</u>

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND (GENERAL ACCOUNTS)  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 3

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 1,282,000	\$ 1,311,608	\$ 29,608
Interest earnings	159,200	139,652	(19,548)
Other	1,425,500	1,399,051	(26,449)
State sources:			
Equalization	15,748,711	15,757,474	8,763
Other	642,977	658,992	16,015
Federal sources:			
	110,000	125,418	15,418
 Total Revenues	 \$ 19,368,388	 \$ 19,392,195	 \$ 23,807
 <b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	\$ 10,283,798	\$ 10,141,401	\$ 142,397
Special programs	1,838,400	1,827,870	10,530
Other instructional programs	948,400	900,584	47,816
Support services:			
Student services	781,400	670,953	110,447
Instructional staff support	708,800	746,775	(37,975)
General administration	338,350	233,932	104,418
School administration	1,299,750	1,329,716	(29,966)
Business services	264,900	216,466	48,434
Plant services	739,800	671,357	68,443
Student transportation services	1,262,576	1,343,668	(81,092)
Central services	49,050	51,658	(2,608)
Food services	2,200	5,478	(3,278)
Community service program	4,700	4,718	(18)
Facilities acquisition and construction	1,344,700	1,444,024	(99,324)
Debt service:			
Principal retirement	53,232	15,880	37,352
Interest and bank charges	30,857	9,205	21,652
 Total Expenditures	 \$ 19,950,913	 \$ 19,613,685	 \$ 337,228
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ (582,525)	 \$ (221,490)	 \$ 361,035
 FUND BALANCE AT BEGINNING OF YEAR	 1,136,111	 1,130,951	 (5,160)
 FUND BALANCE AT END OF YEAR	 \$ 553,586	 \$ 909,461	 \$ 355,875

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND (BOND SURPLUS ACCOUNTS)  
Schedule of Revenues, Expenditures  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 4

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Interest earnings	\$ 470	\$ 570	\$ 100
Total Revenues	<u>\$ 470</u>	<u>\$ 570</u>	<u>\$ 100</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ 470	 \$ 570	 \$ 100
 FUND BALANCE AT BEGINNING OF YEAR	 <u>12,773</u>	 <u>12,773</u>	 <u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 13,243</u>	<u>\$ 13,343</u>	<u>\$ 100</u>

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND (1967 SALES TAX ACCOUNTS)  
Schedule of Revenues, Expenditures  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 5

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Taxes:			
Sales and use	\$ 1,990,000	\$ 2,026,364	\$ 36,364
Interest earnings	10,000	11,439	1,439
Total Revenues	\$ 2,000,000	\$ 2,037,803	\$ 37,803
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	\$ 1,116,100	\$ 1,152,771	\$ (36,671)
Special programs	304,700	327,137	(22,437)
Other instructional programs	85,800	81,035	4,765
Support services:			
Student services	51,000	51,577	(577)
Instructional staff support	58,400	57,224	1,176
General administration	32,200	36,309	(4,109)
School administration	105,700	113,945	(8,245)
Business services	15,950	15,629	321
Plant services	61,600	63,124	(1,524)
Student transportation services	108,500	108,919	(419)
Central services	0	1,234	(1,234)
Food services	60,050	51,535	8,515
Total Expenditures	\$ 2,000,000	\$ 2,060,439	\$ (60,439)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ (22,636)	\$ (22,636)
FUND BALANCE AT BEGINNING OF YEAR AS ORIGINALLY STATED	\$ 21,023	\$ 21,023	\$ 0
PRIOR PERIOD ADJUSTMENT	0	190,387	190,387
FUND BALANCE AT BEGINNING OF YEAR AS RESTATED	\$ 21,023	\$ 211,410	\$ 190,387
FUND BALANCE AT END OF YEAR	\$ 21,023	\$ 188,774	\$ 167,751

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND (1979 SALES TAX ACCOUNTS)  
Schedule of Revenues, Expenditures  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 6

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Taxes:			
Sales and use	\$ 1,990,000	\$ 2,026,364	\$ 36,364
Interest earnings	40,150	58,842	18,692
Total Revenues	\$ 2,030,150	\$ 2,085,206	\$ 55,056
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	\$ 1,142,925	\$ 1,184,844	\$ (41,919)
Special programs	146,500	147,482	(982)
Other instructional programs	140,000	133,750	6,250
Support services:			
Student services	33,675	43,751	(10,076)
Instructional staff support	179,250	199,469	(20,219)
General administration	30,950	32,931	(1,981)
School administration	76,750	106,444	(29,694)
Business services	20,600	11,869	8,731
Plant services	50,400	49,991	409
Student transportation services	77,400	76,099	1,301
Central services	0	2,184	(2,184)
Food services	88,600	90,536	(1,936)
Facilities acquisition and construction	40,000	0	40,000
Total Expenditures	\$ 2,027,050	\$ 2,079,350	\$ (52,300)
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 3,100</b>	<b>\$ 5,856</b>	<b>\$ 2,756</b>
<b>FUND BALANCE AT BEGINNING OF YEAR AS ORIGINALLY STATED</b>	<b>\$ 496,187</b>	<b>\$ 496,187</b>	<b>0</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>0</b>	<b>190,387</b>	<b>190,387</b>
<b>FUND BALANCE AT BEGINNING OF YEAR AS RESTATED</b>	<b>\$ 496,187</b>	<b>\$ 686,574</b>	<b>\$ 190,387</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 499,287</b>	<b>\$ 692,430</b>	<b>\$ 193,143</b>

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND (1993 SALES TAX ACCOUNTS)  
Schedule of Revenues, Expenditures  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 7

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Taxes:			
Sales and use	\$ 1,990,000	\$ 2,026,364	\$ 36,364
Interest earnings	70,000	89,781	19,781
	\$ 2,060,000	\$ 2,116,145	\$ 56,145
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	\$ 1,536,850	\$ 1,268,851	\$ 267,999
Special programs	143,100	226,885	(83,785)
Other instructional programs	110,500	162,680	(52,180)
Support services:			
Student services	36,200	58,116	(21,916)
Instructional staff support	112,900	59,933	52,967
General administration	74,250	29,871	44,379
School administration	92,750	93,264	(514)
Business services	8,300	10,916	(2,616)
Plant services	45,900	69,717	(23,817)
Student transportation services	75,850	115,161	(39,311)
Central services	0	2,705	(2,705)
Food services	91,715	111,316	(19,601)
	\$ 2,328,315	\$ 2,209,415	\$ 118,900
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (268,315)</b>	<b>\$ (93,270)</b>	<b>\$ 175,045</b>
<b>FUND BALANCE AT BEGINNING OF YEAR AS ORIGINALLY STATED</b>	<b>\$ 973,324</b>	<b>\$ 973,324</b>	<b>\$ 0</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>0</b>	<b>190,387</b>	<b>190,387</b>
<b>FUND BALANCE AT BEGINNING OF YEAR AS RESTATED</b>	<b>\$ 973,324</b>	<b>\$ 1,163,711</b>	<b>\$ 190,387</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 705,009</b>	<b>\$ 1,070,441</b>	<b>\$ 365,432</b>

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND (1993 AD VALOREM TAX ACCOUNTS)  
Schedule of Revenues, Expenditures  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 8

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 1,390,000	\$ 1,449,805	\$ 59,805
Interest earnings	30,000	46,930	16,930
Other	0	19,260	19,260
Total Revenues	\$ 1,420,000	\$ 1,515,995	\$ 95,995
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	\$ 457,000	\$ 546,397	(89,397)
Special programs	10,000	30,276	(20,276)
Other instructional programs	32,000	38,435	(6,435)
Support services:			
Student services	3,000	9,367	(6,367)
Instructional staff support	4,000	11,393	(7,393)
General administration	134,000	127,623	6,377
School administration	41,950	52,394	(10,444)
Business services	750	2,990	(2,240)
Plant services	392,550	347,973	44,577
Student transportation services	270,996	96,218	174,778
Debt service:			
Principal retirement	37,352	37,352	0
Interest and bank charges	21,652	21,652	0
Total Expenditures	\$ 1,405,250	\$ 1,322,070	\$ 83,180
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 14,750	\$ 193,925	179,175
FUND BALANCE AT BEGINNING OF YEAR	822,372	822,372	0
FUND BALANCE AT END OF YEAR	\$ 837,122	\$ 1,016,297	\$ 179,175

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**SPECIAL REVENUE FUNDS**

**TITLE I**

To improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

**TITLE VI**

To assist state and local educational agencies to improve elementary and secondary education.

Grants are awarded for students at risk of failure in school; instructional materials; school-wide improvements and effective school programs; training and professional development; early identification of children with reading disabilities, personal excellence of students and student achievements; and innovative enhancements projects to the educational program and climate of the school.

**ADULT EDUCATION**

To improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

**TITLE II**

To improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

**SCHOOL FOOD SERVICE**

To assist through cash grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 1997

	TITLE I	TITLE VI	ADULT EDUCATION	TITLE II	SCHOOL FOOD SERVICE
<b>ASSETS</b>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	617,628
Receivables	147,933	3,649	7,668	8,909	0
Deposit	0	0	0	0	0
Inventory	0	0	0	0	54,743
<b>TOTAL ASSETS</b>	<b>\$ 147,933</b>	<b>\$ 3,649</b>	<b>\$ 7,668</b>	<b>\$ 8,909</b>	<b>\$ 672,371</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Liabilities:</b>					
Accounts, salaries and other payables	\$ 660	\$ 0	\$ 0	\$ 0	8,039
Due to other funds	147,273	3,649	7,668	7,281	0
Deferred revenues	0	0	0	1,628	28,796
<b>Total Liabilities</b>	<b>\$ 147,933</b>	<b>\$ 3,649</b>	<b>\$ 7,668</b>	<b>\$ 8,909</b>	<b>\$ 36,835</b>
<b>Equity</b>					
<b>Fund balances:</b>					
Reserved for inventory	\$ 0	\$ 0	\$ 0	\$ 0	25,947
Unreserved and undesignated	0	0	0	0	609,589
<b>Total Equity (Deficit)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 635,536</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 147,933</b>	<b>\$ 3,649</b>	<b>\$ 7,668</b>	<b>\$ 8,909</b>	<b>\$ 672,371</b>

SCHOOL DISTRICTS							
PARISHWIDE MAINTENANCE	RUSTON NO. 1 MAINTENANCE & OPERATION	SIMBSORO NO 3 MAINTENANCE & OPERATION	DUBACH NO. 5 MAINTENANCE & OPERATION	SPECIAL PROGRAMS	TITLE IV (DRUG FREE)	TOTAL	
\$ 304,635	\$ 17,424	\$ 5,709	\$ 24,777	\$ 0	\$ 0	970,173	
0	0	0	0	63,509	1,697	233,365	
2,500	0	0	0	0	0	2,500	
0	0	0	0	0	0	54,743	
<u>\$ 307,135</u>	<u>\$ 17,424</u>	<u>\$ 5,709</u>	<u>\$ 24,777</u>	<u>\$ 63,509</u>	<u>\$ 1,697</u>	<u>1,260,781</u>	
\$ 17,025	\$ 17,990	\$ 3,051	\$ 3,191	\$ 1,683	\$ 0	51,639	
0	0	0	0	52,025	1,587	219,483	
0	0	0	0	9,801	110	40,335	
<u>\$ 17,025</u>	<u>\$ 17,990</u>	<u>\$ 3,051</u>	<u>\$ 3,191</u>	<u>\$ 63,509</u>	<u>\$ 1,697</u>	<u>311,457</u>	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	25,947	
290,110	(566)	2,658	21,586	0	0	923,377	
<u>\$ 290,110</u>	<u>\$ (566)</u>	<u>\$ 2,658</u>	<u>\$ 21,586</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>949,324</u>	
<u>\$ 307,135</u>	<u>\$ 17,424</u>	<u>\$ 5,709</u>	<u>\$ 24,777</u>	<u>\$ 63,509</u>	<u>\$ 1,697</u>	<u>1,260,781</u>	

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1997

	TITLE I	TITLE VI	ADULT EDUCATION	TITLE II	SCHOOL FOOD SERVICE
<b>REVENUES</b>					
Local sources:					
Taxes:					
Ad Valorem	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest earnings	0	0	0	0	27,944
Food service	0	0	0	0	366,291
Other	0	0	0	0	0
State sources:					
Equalization	0	0	0	0	364,035
Other	0	0	34,339	0	0
Federal sources:	<u>1,352,311</u>	<u>29,171</u>	<u>17,452</u>	<u>37,217</u>	<u>1,399,392</u>
<b>Total Revenues</b>	<u>\$ 1,352,311</u>	<u>\$ 29,171</u>	<u>\$ 51,791</u>	<u>\$ 37,217</u>	<u>\$ 2,157,662</u>
<b>EXPENDITURES</b>					
Current:					
Instruction:					
Special Programs	\$ 883,575	\$ 28,907	\$ 0	\$ 36,674	\$ 0
Other instructional programs	0	0	50,395	0	0
Support services:					
Instructional staff support	298,116	0	1,396	0	0
General administration	24,600	264	0	543	0
Plant services	33,064	0	0	0	0
Student transportation services	0	0	0	0	0
Food services	0	0	0	0	2,078,662
Facilities acquisition and construction	<u>23,054</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Expenditures</b>	<u>\$ 1,262,409</u>	<u>\$ 29,171</u>	<u>\$ 51,791</u>	<u>\$ 37,217</u>	<u>\$ 2,078,662</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 89,902</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 79,000</u>

SCHOOL DISTRICTS

PARISHWIDE MAINTENANCE	RUSTON NO. 1 MAINTENANCE & OPERATIONS	SIMSBORO NO. 3 MAINTENANCE & OPERATIONS	DUBACH NO. 5 MAINTENANCE & OPERATIONS	SPECIAL PROGRAMS	TITLE IV (DRUG FREE)	TOTAL
\$ 616,799	\$ 244,784	\$ 37,618	\$ 55,871	\$ 0	\$ 0	955,072
12,958	2,989	646	1,445	0	0	45,982
0	0	0	0	0	0	366,291
48,822	1,265	0	0	24,244	0	74,331
0	0	0	0	0	0	364,035
97,618	0	0	0	165,504	0	297,461
0	0	0	0	330,365	34,451	3,200,359
<u>\$ 776,197</u>	<u>\$ 249,038</u>	<u>\$ 38,264</u>	<u>\$ 57,316</u>	<u>\$ 520,113</u>	<u>\$ 34,451</u>	<u>5,303,531</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 329,032	\$ 32,636	1,310,824
0	0	0	0	218,811	0	269,206
0	0	0	0	0	530	300,042
18,485	7,333	1,128	1,684	253	1,285	55,575
603,065	271,938	56,158	65,047	0	0	1,029,272
189,392	0	0	0	1,898	0	191,290
0	0	0	0	0	0	2,078,662
21,046	0	0	0	0	0	44,100
<u>\$ 831,988</u>	<u>\$ 279,271</u>	<u>\$ 57,286</u>	<u>\$ 66,731</u>	<u>\$ 549,994</u>	<u>\$ 34,451</u>	<u>5,278,971</u>
<u>\$ (55,791)</u>	<u>\$ (30,233)</u>	<u>\$ (19,022)</u>	<u>\$ (9,415)</u>	<u>\$ (29,881)</u>	<u>\$ 0</u>	<u>24,560</u>

(CONTINUED)

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

**SPECIAL REVENUE FUNDS**  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1997

	<u>TITLE I</u>	<u>TITLE VI</u>	<u>ADULT EDUCATION</u>	<u>TITLE II</u>	<u>SCHOOL FOOD SERVICE</u>
OTHER FINANCING SOURCES (USES)					
Operating transfer out	(89,902)	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	\$ (89,902)	\$ 0	\$ 0	\$ 0	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 0	\$ 0	\$ 0	0	79,000
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0	556,536
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	635,536

SCHOOL DISTRICTS							
PARISHWIDE MAINTENANCE	RUSTON NO. 1 MAINTENANCE & OPERATIONS	SIMSBORO NO. 3 MAINTENANCE & OPERATIONS	DUBACH NO. 5 MAINTENANCE & OPERATIONS	SPECIAL PROGRAMS	TITLE IV (DRUG FREE)	TOTAL	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (89,902)	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (89,902)	
\$ (55,791)	\$ (30,233)	\$ (19,022)	\$ (9,415)	(29,881)	0	(65,342)	
345,901	29,667	21,680	31,001	29,881	0	1,014,666	
\$ 290,110	\$ (566)	\$ 2,658	\$ 21,586	\$ 0	\$ 0	\$ 949,324	

(CONCLUDED)

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SPECIAL REVENUE FUNDS  
TITLE I  
Statement of Revenues, Expenditures  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 11

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources:	\$ 1,563,294	\$ 1,352,311	\$ (210,983)
Total Revenues	\$ 1,563,294	\$ 1,352,311	\$ (210,983)
EXPENDITURES			
Current:			
Instruction:			
Special programs	\$ 1,062,619	\$ 883,575	\$ 179,044
Support services:			
Instructional staff support	344,323	298,116	46,207
General administration	25,289	24,600	689
Plant services	41,161	33,064	8,097
Facilities acquisition and construction	0	23,054	(23,054)
Total Expenditures	\$ 1,473,392	\$ 1,262,409	\$ 210,983
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	89,902	89,902	0
OTHER FINANCING SOURCES (USES)			
Operating transfers out	\$ (89,902)	\$ (89,902)	\$ 0
Total Other Financing Sources (Uses)	\$ (89,902)	\$ (89,902)	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$ 0

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SPECIAL REVENUE FUNDS  
TITLE VI

Statement of Revenues, Expenditures  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual

Exhibit 12

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal sources	\$ 28,612	\$ 29,171	\$ 559
Total Revenues	<u>\$ 28,612</u>	<u>\$ 29,171</u>	<u>\$ 559</u>
EXPENDITURES			
Current:			
Instruction:			
Special programs	\$ 28,473	\$ 28,907	(434)
Support services:			
General administration	<u>139</u>	<u>264</u>	<u>(125)</u>
Total Expenditures	<u>\$ 28,612</u>	<u>\$ 29,171</u>	<u>(559)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SPECIAL REVENUE FUNDS  
ADULT EDUCATION  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 13

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
State sources:			
Other	\$ 0	\$ 34,339	\$ 34,339
Federal sources:	54,013	17,452	(36,561)
Total Revenues	\$ 54,013	\$ 51,791	\$ (2,222)
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	\$ 54,013	\$ 50,395	\$ 3,618
Support services:			
Instructional staff support	0	1,396	(1,396)
Total Expenditures	\$ 54,013	\$ 51,791	\$ 2,222
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	0

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SPECIAL REVENUE FUNDS  
TITLE II  
Statement of Revenues, Expenditures  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 14

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 39,015	\$ 37,217	\$ (1,798)
Total Revenues	\$ 39,015	\$ 37,217	\$ (1,798)
EXPENDITURES			
Current:			
Instruction:			
Special programs	\$ 38,234	\$ 36,674	\$ 1,560
Support services:			
General administration	781	543	238
Total Expenditures	\$ 39,015	\$ 37,217	\$ 1,798
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	0

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SPECIAL REVENUE FUNDS  
SCHOOL FOOD SERVICE

Statement of Revenues, Expenditures  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 15

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
<i>Local sources:</i>			
Interest earnings	\$ 20,400	\$ 27,944	\$ 7,544
Food service	378,035	366,291	(11,744)
<i>State sources:</i>			
Equalization	364,000	364,035	35
<i>Federal sources:</i>			
	1,383,000	1,399,392	16,392
<b>Total Revenues</b>	<b>\$ 2,145,435</b>	<b>\$ 2,157,662</b>	<b>\$ 12,227</b>
<b>EXPENDITURES</b>			
<i>Current:</i>			
Food services	2,255,100	2,078,662	176,438
<b>Total Expenditures</b>	<b>\$ 2,255,100</b>	<b>\$ 2,078,662</b>	<b>\$ 176,438</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (109,665)</b>	<b>\$ 79,000</b>	<b>\$ 188,665</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>556,611</b>	<b>556,536</b>	<b>(75)</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 446,946</b>	<b>\$ 635,536</b>	<b>\$ 188,590</b>

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SPECIAL REVENUE FUNDS  
PARISHWIDE MAINTENANCE  
Statement of Revenues, Expenditures  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 16

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 608,000	\$ 616,799	\$ 8,799
Interest earnings	8,000	12,958	4,958
Other	38,850	48,822	9,972
State sources:			
Other	96,000	97,618	1,618
<b>Total Revenues</b>	<b>\$ 750,850</b>	<b>\$ 776,197</b>	<b>\$ 25,347</b>
<b>EXPENDITURES</b>			
Current:			
Support services:			
General administration	\$ 18,800	\$ 18,485	\$ 315
Plant services	578,565	603,065	(24,500)
Student transportation services	171,530	189,392	(17,862)
Facilities acquisition and construction	59,240	21,046	38,194
<b>Total Expenditures</b>	<b>\$ 828,135</b>	<b>\$ 831,988</b>	<b>\$ (3,853)</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (77,285)</b>	<b>\$ (55,791)</b>	<b>\$ 21,494</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>337,717</b>	<b>345,901</b>	<b>8,184</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 260,432</b>	<b>\$ 290,110</b>	<b>29,678</b>

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SPECIAL REVENUE FUNDS  
RUSTON NO. 1 MAINTENANCE AND OPERATION  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 17

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 230,000	\$ 244,784	\$ 14,784
Interest earnings	3,000	2,989	(11)
Other	0	1,265	1,265
Federal sources:	550	0	(550)
 Total Revenues	 \$ 233,550	 \$ 249,038	 \$ 15,488
 <b>EXPENDITURES</b>			
Current:			
Support services:			
General administration	\$ 7,400	\$ 7,333	\$ 67
Plant services	224,800	271,938	(47,138)
 Total Expenditures	 \$ 232,200	 \$ 279,271	 \$ (47,071)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ 1,350	 \$ (30,233)	 \$ (31,583)
 FUND BALANCE AT BEGINNING OF YEAR	 25,842	 29,667	 3,825
 FUND BALANCE AT END OF YEAR	 \$ 27,192	 \$ (566)	 \$ (27,758)

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SPECIAL REVENUE FUNDS  
SIMSBORO NO. 3 MAINTENANCE AND OPERATION  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 18

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 36,000	\$ 37,618	\$ 1,618
Interest earnings	500	646	146
Total Revenues	<u>\$ 36,500</u>	<u>\$ 38,264</u>	<u>\$ 1,764</u>
EXPENDITURES			
Current:			
Support services:			
General administration	\$ 1,200	\$ 1,128	\$ 72
Plant services	34,300	56,158	(21,858)
Total Expenditures	<u>\$ 35,500</u>	<u>\$ 57,286</u>	<u>\$ (21,786)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 1,000	\$ (19,022)	\$ (20,022)
FUND BALANCE AT BEGINNING OF YEAR	<u>21,000</u>	<u>21,680</u>	<u>680</u>
FUND BALANCE AT END OF YEAR	<u>\$ 22,000</u>	<u>\$ 2,658</u>	<u>\$ (19,342)</u>

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SPECIAL REVENUE FUNDS  
DUBACH NO. 5 MAINTENANCE AND OPERATION  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 19

VARIANCE  
FAVORABLE  
(UNFAVORABLE)

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 55,000	\$ 55,871	\$ 871
Interest earnings	1,000	1,445	445
Total Revenues	\$ 56,000	\$ 57,316	\$ 1,316
EXPENDITURES			
Current:			
Support services:			
General administration	\$ 2,000	\$ 1,684	\$ 316
Plant services	53,800	65,047	(11,247)
Total Expenditures	\$ 55,800	\$ 66,731	\$ (10,931)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 200	\$ (9,415)	\$ (9,615)
FUND BALANCE AT BEGINNING OF YEAR	30,884	31,001	117
FUND BALANCE AT END OF YEAR	\$ 31,084	\$ 21,586	\$ (9,498)

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SPECIAL REVENUE FUNDS  
SPECIAL PROGRAMS  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 20

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Local sources:			
Other	\$ 0	\$ 24,244	\$ 24,244
State sources:			
Other	158,515	165,504	6,989
Federal sources:	267,288	330,365	63,077
Total Revenues	\$ 425,803	\$ 520,113	\$ 94,310
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Special programs	\$ 300,208	\$ 329,032	\$ (28,824)
Other instructional programs	153,088	218,811	(65,723)
Support services:			
General administration	2,388	253	2,135
Student transportation services	0	1,898	(1,898)
Total Expenditures	\$ 455,684	\$ 549,994	\$ (94,310)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (29,881)	\$ (29,881)	0
FUND BALANCE AT BEGINNING OF YEAR	29,881	29,881	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$ 0

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SPECIAL REVENUE FUNDS  
TITLE IV (DRUG FREE )  
Statement of Revenues, Expenditures  
and Changes in Fund Balances- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997

Exhibit 21

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal sources	\$ 36,871	\$ 34,451	\$ (2,420)
Total Revenues	<u>\$ 36,871</u>	<u>\$ 34,451</u>	<u>\$ (2,420)</u>
EXPENDITURES			
Current:			
Instruction:			
Special programs	\$ 36,130	\$ 32,636	\$ 3,494
Support services:			
Instructional staff support	0	530	(530)
General administration	741	1,285	(544)
Total Expenditures	<u>\$ 36,871</u>	<u>\$ 34,451</u>	<u>\$ 2,420</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**DEBT SERVICE FUNDS**

The debt service funds are used to accumulate monies to pay outstanding bond issues and the Certificate of Indebtedness. The bonds were issued by the respective school districts to acquire land for building sites and to purchase, erect, and improve school buildings, equipment, and furnishings. The bond issues are financed by an ad valorem tax on property within the legal boundaries of the respective school districts. The proceeds of the Certificate of Indebtedness funded the cost of a computer lab for the Title I program. The certificate repayment is being made by the Title I program over a three-year period which began in the 1995-1996 fiscal year.

The School Board utilizes the following debt service funds:

RUSTON SCHOOL DISTRICT NO. 1

SIMSBORO SCHOOL DISTRICT NO. 3

CHOUDRANT SCHOOL DISTRICT NO. 6

SERIES 1995 SINKING

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**DEBT SERVICE FUNDS**  
Combining Balance Sheet  
June 30, 1997

Exhibit 22

	SCHOOL DISTRICTS			SERIES 1995 SINKING	TOTAL
	RUSTON NO. 1	SIMSBORO NO. 3	CHOUDRANT NO. 6		
<b>ASSETS</b>					
Cash	\$ 118,869	\$ 26,701	\$ 102,922	\$ 107,333	\$ 355,825
Investments	1,276,000	229,000	263,000	0	1,768,000
<b>TOTAL ASSETS</b>	<b>\$ 1,394,869</b>	<b>\$ 255,701</b>	<b>\$ 365,922</b>	<b>\$ 107,333</b>	<b>\$ 2,123,825</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Liabilities</b>					
Due to other funds	\$ 0	\$ 0	\$ 0	\$ 22,305	\$ 22,305
Matured bonds	25,000	47,241	9,075	0	81,316
<b>Total Liabilities</b>	<b>\$ 25,000</b>	<b>\$ 47,241</b>	<b>\$ 9,075</b>	<b>\$ 22,305</b>	<b>\$ 103,621</b>
<b>Equity</b>					
<b>Fund Balances:</b>					
Reserved for debt service	\$ 1,369,869	\$ 208,460	\$ 356,847	\$ 85,028	\$ 2,020,204
<b>Total Equity</b>	<b>\$ 1,369,869</b>	<b>\$ 208,460</b>	<b>\$ 356,847</b>	<b>\$ 85,028</b>	<b>\$ 2,020,204</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 1,394,869</b>	<b>\$ 255,701</b>	<b>\$ 365,922</b>	<b>\$ 107,333</b>	<b>\$ 2,123,825</b>

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

DEBT SERVICE FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes In Fund Balances  
For the Year Ended June 30, 1997

Exhibit 23

	SCHOOL DISTRICTS			SERIES 1995 SINKING	TOTAL
	RUSTON NO. 1	SIMSBORO NO. 3	CHOUDRANT NO. 6		
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 1,383,947	\$ 204,840	\$ 314,288	0	\$ 1,903,075
Interest earnings	69,461	13,375	12,821	0	95,657
Total Revenues	\$ 1,453,408	\$ 218,215	\$ 327,109	0	\$ 1,998,732
EXPENDITURES					
Current:					
General administration	\$ 44,210	\$ 6,232	\$ 6,633	0	\$ 57,075
Debt Service:					
Principal retirement	880,000	155,000	145,000	9,169	1,189,169
Interest and bank charges	624,142	123,904	96,321	12,727	857,094
Total Expenditures	\$ 1,548,352	\$ 285,136	\$ 247,954	21,896	\$ 2,103,338
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (94,944)	\$ (66,921)	\$ 79,155	(21,896)	(104,606)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	\$ 0	\$ 0	\$ 0	89,902	\$ 89,902
TOTAL OTHER FINANCING SOURCES (USES)	\$ 0	\$ 0	\$ 0	89,902	\$ 89,902
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ (94,944)	\$ (66,921)	\$ 79,155	68,006	\$ (14,704)
FUND BALANCES, AT BEGINNING OF YEAR	1,464,813	275,381	277,692	17,022	2,034,908
FUND BALANCES, AT END OF YEAR	\$ 1,369,869	\$ 208,460	\$ 356,847	85,028	\$ 2,020,204

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**INTERNAL SERVICE FUNDS**

The internal service funds are used to account for the accumulation of resources for and the payment of benefits by the School Board's risk retention programs. The School Board maintains the following risk retention funds:

**Workers' Compensation** — This fund, which began in fiscal year 1991, is used to account for the payment of workers' compensation benefits. Fund revenues are derived from government allocations. These revenues are planned to match: (1) expenses of insurance premiums in excess of risk retention amounts; (2) estimated claim losses resulting from risk retention programs which include estimated liabilities for claims incurred but not yet reported at year end, and (3) operating expenses.

**Group Health Insurance** — Monies in this fund are received from three sources: employee deductions from payroll, 1967 sales tax fund and the state of Louisiana. Monies are used to pay employee health insurance claims, the administrative cost to the insurance administrator for administration of the plan and processing medical claims, cost of excess and specific insurance to protect the fund from exposure to large claims, hospital pre-certification, and life insurance with an insurance carrier.

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS  
Combining Balance Sheet  
June 30, 1997

Exhibit 24

	<u>WORKER'S COMPENSATION</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 89,307	\$ 171,890	\$ 261,197
Receivables	0	27,570	27,570
	\$ 89,307	\$ 199,460	\$ 288,767
<b>TOTAL ASSETS</b>			
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 23,841	\$ 259,601	\$ 283,442
<b>Equity:</b>			
Retained Earnings (Deficit)	\$ 0	\$ (60,141)	\$ (60,141)
Retained Earnings:			
Reserved for future claims	65,466	0	65,466
	\$ 65,466	\$ (60,141)	\$ 5,325
<b>TOTAL EQUITY (Deficit)</b>			
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 89,307</b>	<b>\$ 199,460</b>	<b>\$ 288,767</b>

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

Exhibit 25

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS  
Combining Statement of Revenues, Expenses,  
and Changes in Retained Earnings (Deficit)  
For the Year Ended June 30, 1997

	WORKERS' COMPENSATION	GROUP HEALTH INSURANCE	TOTAL
<b>OPERATING REVENUE</b>			
Premiums	\$ 25,000	\$ 3,953,899	\$ 3,978,899
<b>OPERATING EXPENSES</b>			
Administration	\$ 0	\$ 141,786	\$ 141,786
Insurance Premiums	0	397,236	397,236
Claims	70,796	3,326,129	3,396,925
Total operating expenses	\$ 70,796	\$ 3,865,151	\$ 3,935,947
Operating income (loss)	\$ (45,796)	\$ 88,748	\$ 42,952
<b>NONOPERATING REVENUES</b>			
Earnings on investments	1,522	4,794	6,316
Net income (loss)	\$ (44,274)	\$ 93,542	\$ 49,268
RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR	109,740	(153,683)	(43,943)
RETAINED EARNINGS (Deficit) AT END OF YEAR	\$ 65,466	\$ (60,141)	\$ 5,325

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

Exhibit 26

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS  
Combining Statement of Cash Flows  
For the Year Ended June 30, 1997

	<u>WORKERS'</u>	<u>GROUP</u>	<u>TOTAL</u>
	<u>COMPENSATION</u>	<u>HEALTH</u>	
		<u>INSURANCE</u>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (45,796)	\$ 88,748	\$ 42,952
Adjustments to reconcile operating income to net cash provided (used) for operating activities			
Increase (decrease) in payable	9,462	(3,852)	5,610
(Increase) decrease in receivable	<u>0</u>	<u>(22,213)</u>	<u>(22,213)</u>
Net cash provided (used) for operating activities	<u>\$ (36,334)</u>	<u>\$ 62,683</u>	<u>\$ 26,349</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Earnings on investments	<u>\$ 1,522</u>	<u>\$ 4,794</u>	<u>\$ 6,316</u>
Net cash provided (used) by investing activities	<u>\$ 1,522</u>	<u>\$ 4,794</u>	<u>\$ 6,316</u>
Net increase (decrease) in cash and cash equivalents	\$ (34,812)	\$ 67,477	\$ 32,665
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>124,119</u>	<u>104,413</u>	<u>228,532</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 89,307</u>	<u>\$ 171,890</u>	<u>\$ 261,197</u>

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**AGENCY FUNDS**

**SCHOOL ACTIVITY AGENCY FUND**

The activities of the various individual school accounts are accounted for in the school activity agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

Exhibit 27

SCHOOL ACTIVITY AGENCY FUND  
Schedule of Changes in Deposits Due Others  
For the Year Ended June 30, 1997

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Choudrant Elementary	\$ 8,516	\$ 25,221	\$ 25,463	\$ 8,274
Choudrant High School	8,594	177,434	159,071	26,957
Cypress Springs Elementary	14,610	48,295	47,503	15,402
Dubach High School	29,196	65,024	68,362	25,858
Glen View Elementary	21,563	48,204	48,787	20,980
Hico Elementary	12,030	19,389	18,094	13,325
Hillcrest Elementary	7,377	28,658	26,926	9,109
I. A. Lewis School	10,179	44,514	41,761	12,932
Lincoln Center	2,184	5,219	6,024	1,379
Ruston Elementary	28,142	28,160	26,741	29,561
Ruston High School	76,259	460,424	435,813	100,870
Ruston Junior High	26,297	179,935	172,435	33,797
Simsboro High	<u>29,745</u>	<u>144,606</u>	<u>145,304</u>	<u>29,047</u>
Total	<u>\$ 274,692</u>	<u>\$ 1,275,083</u>	<u>\$ 1,222,284</u>	<u>\$ 327,491</u>

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**GENERAL FIXED ASSETS ACCOUNT GROUP**

The general fixed assets account group records the fixed assets of the School Board which are used in governmental fund-type organizations.

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SCHEDULE OF GENERAL FIXED ASSETS -  
BY SOURCE  
June 30, 1997

Exhibit 28

GENERAL FIXED ASSETS:

Land	\$	360,835
Buildings		26,689,866
Improvements Other Than Buildings		84,322
Furniture and Equipment		5,887,413
Vehicles		1,940,314
Construction in progress		<u>1,360,193</u>

TOTAL GENERAL FIXED ASSETS

\$ 36,322,943

INVESTMENT IN GENERAL FIXED ASSETS:

From Capital Projects Funds	\$	24,541,376
From General Fund		8,835,327
From Special Education Fund		318,935
From Federal Funds		1,430,964
From Vocational Education Funds		602,684
From School Food Service Fund		<u>593,657</u>

TOTAL INVESTMENT IN GENERAL FIXED ASSETS

\$ 36,322,943

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SCHEDULE OF GENERAL FIXED ASSETS -  
BY FUNCTION

June 30, 1997

<u>FUNCTION</u>	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>
<u>Instructional</u>			
Regular	\$ 28,916,492	\$ 349,525	24,827,254
Special	<u>1,346,421</u>		<u>513,863</u>
Total Instructional	<u>\$ 30,262,913</u>	<u>\$ 349,525</u>	<u>25,341,117</u>
<u>Supporting Services</u>			
Pupil Support	1,247,608		710,304
Instructional Staff	248,927		
General Administration	147,965		
School Administration	331,645		
Business and Central Services	1,160,768	11,310	526,795
Operation and maintenance	624,412		111,650
Student Transportation	1,701,224		
Food Service Operations	<u>597,481</u>		
Total Support Services	<u>\$ 6,060,030</u>	<u>\$ 11,310</u>	<u>1,348,749</u>
 TOTAL GENERAL FIXED ASSETS	 <u>\$ 36,322,943</u>	 <u>\$ 360,835</u>	 <u>26,689,866</u>

Exhibit 29

<u>IMPROVEMENTS OTHER THAN BUILDINGS</u>	<u>FURNITURE AND EQUIPMENT</u>	<u>VEHICLES</u>	<u>CONSTRUCTION IN PROGRESS</u>
\$ 19,990	\$ 2,359,530	\$	\$ 1,360,193
	796,874	35,684	
\$ 19,990	\$ 3,156,404	\$ 35,684	\$ 1,360,193
60,142	477,162		
	248,927		
	131,197	16,768	
	331,645		
	622,663		
	321,934	190,828	
4,190		1,697,034	
	597,481		
\$ 64,332	\$ 2,731,009	\$ 1,904,630	\$
\$ 84,322	\$ 5,887,414	\$ 1,940,314	\$ 1,360,193

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS -  
BY FUNCTION

Exhibit 30

For the Year Ended June 30, 1997

<u>FUNCTION</u>	<u>BALANCE</u> <u>JULY 1, 1996</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 1997</u>
<u>Instructional</u>				
Regular	\$ 27,626,695	\$ 1,867,146	\$ 577,349	\$ 28,916,492
Special	1,296,852	49,569		1,346,421
Total Instructional	\$ 28,923,547	\$ 1,916,715	\$ 577,349	\$ 30,262,913
<u>Supporting services</u>				
Pupil Support	\$ 1,240,738	\$ 6,870		\$ 1,247,608
Instructional Staff	113,560	135,367		248,927
General Administration	147,965			147,965
School Administration	328,500	3,145		331,645
Business & Central Services	1,156,366	4,402		1,160,768
Operation & Maintenance	523,958	100,454		624,412
Student Transportation	1,571,220	212,150	82,146	1,701,224
Food Service Operations	551,323	46,158		597,481
Total Supporting Services	\$ 5,633,630	\$ 508,546	\$ 82,146	\$ 6,060,030
TOTAL GENERAL FIXED ASSETS	\$ 34,557,177	\$ 2,425,261	\$ 659,495	\$ 36,322,943

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**GENERAL LONG-TERM DEBT ACCOUNT GROUP**

The general long-term obligation account group represents a summary of the general long-term debt of the Board

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

Exhibit 31

SCHEDULE OF CHANGES IN LONG-TERM DEBT  
For the Year Ended June 30, 1997

	<u>July 1, 1996</u>	<u>Additions</u>	<u>Payments</u>	<u>Debt Service Fund Operations</u>	<u>June 30, 1997</u>
Amount available in Debt Service Fund \$	2,034,908 \$		\$	(14,704) \$	2,020,204
Amount to be provided for retirement of notes payable	210,169		9,169		201,000
Amount to be provided for retirement of bonds payable	12,080,092		1,180,000	14,704	10,914,796
Amount to be provided for retirement of capital leases payable	457,155		53,232		403,923
Amount to be provided for accrued compensated absences	<u>1,282,568</u>	<u>288,412</u>	<u>177,772</u>		<u>1,393,208</u>
	<u>\$ 16,064,892</u>	<u>\$ 288,412</u>	<u>\$ 1,420,173</u>	<u>0</u>	<u>\$ 14,933,131</u>
Long-term debt payable:					
Notes payable	\$ 210,169 \$		\$ 9,169 \$		\$ 201,000
Bonds payable	14,115,000		1,180,000		12,935,000
Capital leases payable	457,155		53,232		403,923
Compensated absences payable	<u>1,282,568</u>	<u>288,412</u>	<u>177,772</u>		<u>1,393,208</u>
	<u>\$ 16,064,892</u>	<u>\$ 288,412</u>	<u>\$ 1,420,173</u>	<u>0</u>	<u>\$ 14,933,131</u>

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**GENERAL**

The schedule of compensation paid to School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$400 per month and the president receives \$500 per month for performing the duties of the office.

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 1997

Exhibit 32

Mr. David Wright, President	\$	6,000
Mr. Wayne Barfield, Vice President		4,800
Dr. Marty Beasley		4,800
Mr. Allen Tuten		4,800
Mr. James R. Kessler		4,800
Mr. George Mack		4,800
Mr. Robert E. Shadoin		4,800
Mr. William E. Abrahm		4,800
Mr. Joe E. Mitcham, Jr.		4,800
Mr. Calvin Wilkerson		4,800
Mr. Curtis Dowling		4,800
Mrs. Loyace D. Braggs		2,400
Mr. Otha Anders		<u>2,000</u>
TOTAL	\$	<u>58,400</u>

**LINCOLN PARISH SCHOOL BOARD**  
Ruston , Louisiana

**GENERAL FUND  
EXPENDITURES BY FUNCTION**  
Last Ten Fiscal Years

SUPPORTING SERVICES

<u>FISCAL YEAR</u>	<u>TOTAL</u>	<u>INSTRUCTION</u>	<u>PUPIL SUPPORT SERVICES</u>	<u>INSTRUCTIONAL STAFF SERVICES</u>	<u>GENERAL ADMINISTRATION</u>
1997	\$ 27,284,959	\$ 18,170,398	\$ 833,764	\$ 1,074,794	\$ 460,666
1996	24,897,833	17,311,059	691,758	1,039,351	448,645
1995	24,088,012	16,810,357	678,234	940,452	651,552
1994	23,074,036	15,699,971	601,926	937,417	421,750
1993	19,994,855	14,073,082	611,163	850,302	263,246
1992 (1)	21,543,711	14,792,300	676,731	735,436	440,330
1991	20,024,718	10,660,624	408,790	601,708	4,820,103
1990	18,789,180	9,672,378	405,885	538,242	4,930,663
1989	16,494,562	8,509,308	394,725	561,874	3,584,592
1988	16,023,824	7,644,748	399,972	425,938	3,578,827

**NOTES:**

(1) Beginning in Fiscal Year 1991-1992 employee benefits were distributed by function. Previously the amounts were included in General Administration.

SUPPORTING SERVICES					
<u>SCHOOL ADMINISTRATION</u>	<u>BUSINESS SERVICES</u>	<u>PLANT SERVICES</u>	<u>STUDENT TRANSPORTATION SERVICES</u>	<u>MISCELLANEOUS</u>	<u>FACILITY ACQUISITION AND CONSTRUCTION</u>
\$ 1,695,763	\$ 257,870	\$ 1,202,162	\$ 1,740,065	\$ 405,453	\$ 1,444,024
1,617,404	306,560	1,207,439	1,781,187	356,385	138,045
1,641,970	271,368	1,108,039	1,738,178	247,862	
1,642,278	307,038	1,026,099	1,558,387	241,355	637,815
1,394,066	267,768	920,330	1,419,663	195,235	
1,353,406	252,336	1,163,747	1,686,232	415,902	27,291
980,162	203,747	851,077	1,340,515	112,674	45,298
892,393	165,751	792,671	1,269,237	112,033	9,927
820,009	164,641	1,076,664	1,175,472	109,119	98,158
766,694	240,669	1,011,838	1,183,888	81,069	690,181

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

GENERAL FUND REVENUE BY SOURCE  
Last Ten Fiscal Years

FISCAL YEAR	TOTAL REVENUE	LOCAL SOURCES			
		AD VALOREM TAX	SALES TAX	OTHER	TOTAL
1997	\$ 27,147,914	\$ 2,761,413	\$ 6,079,092	\$ 1,765,525	\$ 10,606,030
1996	25,500,428	2,619,826	6,110,643	777,706	9,508,175
1995	24,936,222	2,566,073	5,669,099	342,500	8,577,672
1994	23,122,077	2,255,271	4,851,024	219,544	7,325,839
1993	20,408,353	1,027,288	2,872,598	459,202	4,359,088
1992	20,754,770	1,065,711	2,797,624	280,775	4,144,110
1991	19,498,307	954,601	2,730,955	398,911	4,084,467
1990	19,084,596	943,671	2,591,806	405,679	3,941,156
1989	16,515,472	917,563	2,434,763	357,355	3,709,681
1988	15,472,229	903,640	2,325,898	274,200	3,503,738

<u>STATE</u> <u>SOURCES</u>	<u>FEDERAL</u> <u>SOURCES</u>
\$ 16,416,466	\$ 125,418
15,865,049	127,204
16,316,310	42,240
15,750,376	45,862
16,016,433	32,832
16,307,890	302,770
15,074,430	339,410
14,764,172	379,268
12,571,227	234,564
11,760,170	208,321

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**PROPERTY TAX RATES AND LEVIES**  
Last Ten Calendar Years

	1997		1996		1995		1994	
	TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)	TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)	TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)	TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)
Constitutional School Tax (2)	4.95	\$786,029	4.95	\$762,207	4.95	\$738,197	4.95	\$682,804
Special School Tax (2)	5.10	809,849	5.10	785,304	5.10	760,567	5.10	703,495
Five Mill Maintenance School Tax (2)	5.10	809,849	5.10	785,304	5.10	760,567	5.10	703,495
1993 Ad Valorem Tax	12.00	1,905,526	12.00	1,847,774	12.00	1,789,569	12.00	1,655,213
Ruston School District No. 1 Maintenance & Operation	3.01	331,535	3.05	320,946	3.05	320,453	3.05	299,059
Simsboro School District No. 3 Maintenance & Operation	2.98	45,368	2.98	41,579	2.98	46,662	2.98	41,570
Dubach School District No. 5 Maintenance & Operation	3.02	63,613	2.86	69,926	2.86	52,049	2.86	46,216
Debt Service Taxes								
Ruston School District No. 1	17.00	1,872,419	17.00	1,788,780	20.00	2,101,221	23.50	2,303,965
Simsboro School District No. 3	16.20	246,625	16.20	226,030	18.00	281,847	22.00	306,884
Choudrant School District No. 6	43.00	461,939	45.00	397,042	58.00	493,393	62.00	519,517
<b>TOTALS</b>	<u>112.36</u>	<u>\$7,332,752</u>	<u>114.24</u>	<u>\$7,024,892</u>	<u>132.04</u>	<u>\$7,344,525</u>	<u>143.54</u>	<u>\$7,262,268</u>

**NOTES:**

(1) Tax Levies (Total Taxes) represent the grand total of all taxes upon assessed valuation of property at applicable millage rates and includes the total tax on amount of homestead exemptions.

(2) Actual Constitutional, Special School Tax Revenue differ from Tax Levies (Total Taxes) principally due to the amount of tax exempted through the homestead exemption on assessed evaluation. Part of this difference is received by the Board through Revenue Sharing from State.

Table c

1993		1992		1991		1990		1989		1988	
TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)	TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)	TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)	TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)	TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)	TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)
4.95	\$670,476	5.06	\$655,744	5.06	\$633,743	5.06	\$630,922	5.06	\$613,163	4.85	\$594,202
5.10	690,793	5.22	676,479	5.22	653,782	5.22	650,872	5.22	632,552	5.01	613,804
5.10	690,793	5.22	676,479	5.22	653,782	5.22	650,872	5.22	632,552	5.01	613,804
3.05	292,848	3.09	283,544	3.09	276,125	3.09	272,034	3.09	258,036	2.96	246,036
2.98	40,665	3.14	64,198	3.14	37,326	3.14	35,827	3.14	35,586	3.00	35,243
2.86	46,756	3.00	47,586	3.00	44,686	3.00	46,326				
23.50	2,256,270	23.50	2,156,404	25.00	2,233,956	26.50	2,332,975	29.50	2,463,448	32.00	2,650,846
22.00	300,208	31.50	399,652	29.00	344,734	27.00	308,063	27.00	305,996	25.00	295,633
62.00	499,753	62.00	472,641	45.00	339,020	40.00	322,308	40.00	306,070	30.00	234,207
<u>131.54</u>	<u>\$5,468,562</u>	<u>141.73</u>	<u>\$5,432,727</u>	<u>123.73</u>	<u>\$5,217,154</u>	<u>118.23</u>	<u>\$5,250,199</u>	<u>118.23</u>	<u>\$5,247,403</u>	<u>107.83</u>	<u>\$5,290,835</u>

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**PROPERTY TAX LEVIES AND COLLECTIONS**  
Last Ten Calendar Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>
1997	\$ 5,494,172	\$ 5,285,669	96.20%	\$ 149,059.00
1996	5,234,683	5,025,457	96.00%	8,442.86
1995	5,521,588	5,309,397	96.16%	107,271.06
1994	5,390,434	5,372,866	99.67%	4,335.00
1993	4,060,402	4,017,162	98.94%	25,742.92
1992	3,999,882	3,947,111	98.68%	22,090.37
1991	3,840,452	3,756,185	97.81%	35,334.67
1990	3,863,095	3,783,767	97.95%	5,936.45
1989	3,815,747	3,750,479	98.29%	5,357.03
1988	3,882,045	3,829,736	98.65%	14,453.30

<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
\$ 5,434,728	98.92%	\$ 56,374	1.03%
5,033,900	96.16%	316,897	6.05%
5,416,668	98.10%	211,130	3.82%
5,377,201	99.75%	144,239	2.68%
4,042,905	99.57%	93,636	2.31%
3,969,201	99.23%	128,971	3.22%
3,791,520	98.73%	Not Available	
3,789,703	98.10%	Not Available	
3,755,836	98.43%	Not Available	
3,844,189	99.02%	Not Available	

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY (1)**  
Last Ten Calendar Years

Year	Real Property		Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1996	\$ 108,445,710	\$ 851,089,230	\$ 50,347,930	315,137,800
1995	103,375,050	809,475,943	50,606,120	315,611,893
1994	96,011,410	757,632,347	53,119,350	313,148,013
1993	93,821,850	725,476,367	44,118,360	271,139,520
1992	89,931,070	696,731,020	45,518,540	276,212,907
1991	86,492,220	669,310,477	43,101,430	256,584,893
1990	87,031,340	665,348,463	38,214,090	234,242,360
1989	85,003,130	646,667,163	39,684,950	239,065,800
1988	80,805,303	614,673,870	40,373,450	242,628,813
1987	80,171,220	604,096,697	42,344,580	254,213,467

**NOTES:**

- (1) Total assessed value is 10% to 25% of estimated actual value.
- (2) Homestead exemption is \$75,000 estimated actual value (\$7,500 assessed value) per household.
- (3) Source: Lincoln Parish Tax Assessors Grand Recapitulation

Exemptions Real Property	Assessed Value	Total	Estimated Actual Value	Ratio of Total Assessed Value To Total Estimated Actual Value
\$ 38,417,140	\$ 120,376,500		\$ 1,166,227,030	10.32%
34,089,270	119,891,900		1,125,087,836	10.66%
35,288,800	113,841,960		1,070,780,360	10.63%
34,089,270	103,850,940		996,615,887	10.42%
33,315,340	102,134,270		972,943,927	10.50%
32,115,700	97,477,950		925,895,370	10.53%
31,748,280	93,497,150		899,590,823	10.39%
31,576,970	93,111,110		885,732,963	10.51%
31,104,540	90,074,213		857,302,683	10.51%
30,466,870	92,048,930		858,310,164	10.72%

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**PROPERTY TAX MILLAGE RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS(1)**  
(PER \$1,000 OF ASSESS VALUE)  
Last Ten Fiscal Years

<b>LINCOLN PARISH SCHOOL BOARD</b>								
<u>YEAR</u>	<u>GENERAL FUND</u>	<u>FIVE MILL MAINTENANCE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>PARISHWIDE M &amp; O FUND</u>	<u>MAINTENANCE &amp; OPERATION FUND</u>	<u>TOTAL</u>	<u>PARISH</u>	<u>MAINTENANCE</u>
1997	10.05	5.10	76.20	12.00	9.01	112.36	4.81	4.38
1996	10.05	5.10	78.20	12.00	8.89	114.24	4.80	4.38
1995	10.05	5.10	96.00	12.00	8.89	132.04	4.80	4.38
1994	10.05	5.10	107.50	12.00	8.89	143.54	4.80	4.38
1993	10.05	5.10	107.50	N/A	8.89	131.54	4.80	4.38
1992	10.28	5.22	117.00	N/A	9.23	141.73	4.80	4.38
1991	10.28	5.22	99.00	N/A	9.00	123.50	4.91	4.48
1990	10.28	5.22	93.50	N/A	9.00	118.00	4.91	4.48
1989	10.28	5.22	96.50	N/A	6.23	118.23	4.91	4.48
1988	9.86	5.01	87.00	N/A	5.96	107.83	4.91	4.48

**NOTES:**

- (1) All information obtained from Legislative Auditors Taxes Itemized Statements except for cities tax levies which was obtained from the Lincoln Parish Tax Assessor.
- (2) Includes the cities of Ruston, Grambling, Simsboro and Dubach.

<u>FIRE DISTRICT</u>	<u>ROAD CONSTRUCTION</u>	<u>HOSPITAL</u>	<u>LIBRARY MAINTENANCE</u>	<u>LAW ENFORCEMENT</u>	<u>ASSESSMENT DISTRICT</u>	<u>CITIES (2)</u>
8.00	4.38	N/A	3.60	13.22	2.51	46.28
8.00	4.38	N/A	3.60	13.22	2.51	46.28
8.00	4.38	N/A	3.60	13.22	2.51	45.12
9.90	4.38	0.70	3.60	13.22	2.51	45.12
9.90	4.38	0.70	3.60	13.22	2.51	45.12
9.90	4.38	0.70	3.60	13.22	2.51	45.12
10.20	4.48	0.70	3.68	4.83	1.50	45.13
N/A	4.48	0.75	3.68	7.49	2.57	45.03
N/A	4.48	0.50	3.68	7.49	2.57	48.02
N/A	4.48	0.50	3.68	7.49	2.57	49.25

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**RATIO OF NET GENERAL BONDED DEBT  
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
Last Ten Fiscal Years

<u>FISCAL YEAR</u>	<u>(1) (3) ESTIMATED POPULATION</u>	<u>(2) (3) ASSESSED VALUE</u>	<u>GROSS BONDED DEBT</u>	<u>LESS DEBT SERVICE FUNDS</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
1997	43,150	\$ 120,376,500	\$ 12,935,000	\$ 2,020,204	\$ 10,914,796	9.07%	\$ 253
1996	43,024	119,891,900	14,115,000	2,026,661	12,088,339	10.08%	281
1995	42,950	113,841,960	15,230,000	2,252,912	12,977,080	11.40%	302
1994	42,524	103,850,940	16,270,000	2,154,924	14,115,076	13.59%	332
1993	42,490	102,134,270	16,890,000	1,951,625	14,938,375	14.63%	352
1992	42,075	97,477,950	17,715,000	1,784,846	15,930,154	16.34%	373
1991	41,745	93,497,150	17,560,000	2,116,132	15,443,868	16.52%	370
1990	43,518	93,111,110	18,120,000	2,111,276	16,008,724	17.19%	369
1989	43,500	90,074,213	18,677,000	2,195,479	16,481,521	18.30%	373
1988	44,500	92,048,930	19,162,000	2,013,092	17,148,908	18.63%	385

**NOTE:**

- (1) Census information was obtained from the College of Business Administration, Division of Research at Louisiana Tech University.
- (2) The source of assessment is Lincoln Parish Assessor's tax rolls. Assessed values are established by the Parish Assessor's Office each year based on 10% of the assumed market value of residential property and commercial land and on 15% of the assumed market value of commercial buildings, personal property and 25% of the assumed market value of public utilities as required by the State Constitution. A reassessment of all property is required to be completed no less than every four years.
- (3) Estimated Population and Assessed Value is as of December 31.

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

Table h

COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 1997

**ASSESSED VALUATIONS:**

Assessed Value	\$	120,376,500
Add Back: Exempt Real Property		<u>38,417,140</u>
<b>TOTAL ASSESSED VALUE</b>	<b>\$</b>	<b><u>158,793,640</u></b>

**LEGAL DEBT MARGIN:**

Debt Limit of Thirty-Three Percent (33%)	\$	52,401,931
Less Total Bonded Debt		<u>12,935,000</u>
<b>TOTAL LEGAL DEBT MARGIN</b>	<b>\$</b>	<b><u>39,466,931</u></b>

**NOTE:**

(1) Legal debt limit of 33% is established by Louisiana Revised Statute Title 39, Section 562, Paragraph G.

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
June 30, 1997

<u>GOVERNMENTAL UNIT</u>	<u>GROSS DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO LINCOLN PARISH SCHOOL BOARD (1)</u>	<u>AMOUNT APPLICABLE TO LINCOLN PARISH SCHOOL BOARD</u>
<b>DIRECT:</b>			
Lincoln Parish School Board	\$ 12,935,000	100%	\$ 12,935,000
<b>OVERLAPPING: (2)</b>			
City of Grambling	\$ 2,776,000	100%	2,776,000
Lincoln Parish Fire Protection District No. 1	<u>2,905,000</u>	100%	<u>2,905,000</u>
<b>TOTAL</b>	<u>\$ 18,616,000</u>		<u>\$ 18,616,000</u>

**NOTE:**

(1) All property within Lincoln Parish must bear the debt of the Lincoln Parish School Board; therefore, all other taxing entities within the parish fall under the Board's taxing jurisdiction. The computation of the amount applicable to the Board, within the context that such debt will be serviced through levies upon the same properties which the Board taxes, is determined by applying the above percentages to the net amount of debt outstanding.

(2) Source: Annual audit reports of the various governments.

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**  
Last Ten Fiscal Years

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST AND BANK CHARGES</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES</u>
1997	\$ 1,242,401	\$ 887,951	\$ 2,130,352	\$ 27,284,959	7.81%
1996	1,115,000	888,840	2,003,840	24,897,833	8.05%
1995	1,040,000	1,029,322	2,069,322	24,088,012	8.59%
1994	971,130	1,132,462	2,103,592	23,074,036	9.12%
1993	825,000	1,268,893	2,093,893	19,994,855	10.47%
1992	930,000	1,314,262	2,244,262	21,543,711	10.42%
1991	560,000	1,689,317	2,249,317	20,024,718	11.23%
1990	557,000	1,745,948	2,302,948	18,789,180	12.26%
1989	485,000	1,795,489	2,280,489	16,494,562	13.83%
1988	433,000	1,831,769	2,264,769	16,023,824	14.13%

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**Property Value, Construction and Bank Deposits**  
Last Ten Years

**Property Value (1)**

Year	Commercial (5)	Residential (5)	Exemptions (4)	Total
1996	\$ 567,932,340	\$ 598,294,690	\$ 377,641,360	\$ 788,585,670
1995	565,838,267	559,249,570	359,575,280	765,512,557
1994	541,169,860	529,610,500	347,067,070	723,713,290
1993	492,163,647	504,452,240	332,477,700	664,138,187
1992	485,855,147	487,088,780	326,405,380	646,538,547
1991	459,969,120	466,426,250	314,491,780	611,903,590
1990	437,988,613	461,602,210	310,377,660	589,213,163
1989	432,052,913	450,680,050	307,919,180	574,813,783
1988	421,648,993	435,653,690	303,016,860	554,285,823
1987	434,451,193	423,858,970	296,321,470	561,988,693

**NOTE:**

(1) Source: Lincoln Parish Tax Assessor's Grand Recapitulation

(2) Source: City of Ruston Inspection Department

(3) Source: Louisiana Office of Financial Institutions

(4) The exemption column is calculated at estimated actual value. Table d reflects the exemptions column at excess value.

(5) The sum of Commercial and Residential equals the estimated actual value for real property in Table e

Construction (2)				
Commercial		Residential		Bank Deposits (3)
Number of Units	Value	Number of Units	Value	
77	\$ 22,625,103	140	\$ 8,612,264	\$ 459,200,000
116	10,166,321	159	5,602,631	454,765,000
115	11,290,388	344	8,874,455	472,828,000
135	15,673,019	272	6,420,127	457,595,000
85	7,173,821	299	8,252,320	456,996,000
82	3,939,707	248	4,135,301	455,747,000
81	3,100,304	223	3,624,753	438,335,000
102	6,637,006	215	2,709,544	411,222,000
63	3,600,339	105	2,076,118	413,269,000
73	10,290,216	107	3,466,728	N/A

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**PRINCIPAL AD VALOREM TAXPAYERS (1)**  
December 31, 1996

<u>COMPANY</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSMENT</u>	<u>TAX BILL (2)</u>	<u>PERCENT OF TOTAL TAXABLE VALUATION</u>
Mississippi River Transmission Corp.	Gas Transmission	\$ 9,094,560	\$ 594,927	7.56%
Bellsouth Telecommunications	Telephone Utility	4,598,350	389,527	3.82%
Entergy Louisiana, Inc	Electric Utility	3,504,490	304,120	2.91%
Noram Gas Transmission Co.	Gas Transmission	4,052,090	299,145	3.97%
Willamette Industries, Inc.	Pulp/Paper Manufacturing	2,805,200	242,564	2.33%
Ball Glass Container Corp.	Glass Manufacturing	2,645,170	226,695	2.20%
Laclede Gas Co.	Gas Transmission	2,571,940	224,944	2.14%
Wal Mart Stores Inc.	Retail Sales	2,364,920	205,015	1.96%
Ruston State Bank	Financial Institution	2,315,380	196,199	1.92%
Central Bank	Financial Institution	1,987,000	172,576	1.65%
<b>TOTALS</b>		<u>\$ 35,939,100</u>	<u>\$ 2,855,713</u>	<u>29.86%</u>

**NOTES:**

(1) Information obtained from Lincoln Parish Tax Assessor's Office

(2) Represents Parishwide Tax Bill

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**MISCELLANEOUS STATISTICAL DATA**  
**TEN LARGEST EMPLOYERS**  
June 30, 1997

Industry	Company Name	Number of Employees
Poultry Production	ConAgra Poultry Co	1,332
University	Grambling State University	1,130
University	Louisiana Tech University	1,100
Public Schools	Lincoln Parish School Board	930
Hospital	Lincoln General Hospital	630
Glass Containers	Ball Foster Glass Container Corporation	485
Pulp/Paper Manufacturing	Williamette Industries	465
Construction	T. L. James Construction Company	400
Trucking	Davison Transport	275
Hospital	North Louisiana Rehabilitation Hospital	250

Source: Ruston/Lincoln Chamber of Commerce

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**DEMOGRAPHIC STATISTICS**  
Last Ten Years

<u>YEAR</u>	<u>(1) POPULATION</u>	<u>(1) PER CAPITA INCOME</u>	<u>(1) UNEMPLOYMENT RATE</u>	<u>(3) MEDIAN AGE</u>	<u>(2) PUBLIC SCHOOL ENROLLMENT</u>	<u>(2) PUBLIC HIGH SCHOOL GRADUATES</u>
1997	43,150	\$ 18,827	3.1%	25.13	6,881	368
1996	43,024	16,255	3.2%	25.13	7,091	357
1995	42,950	15,760	3.9%	25.04	7,129	325
1994	42,524	15,510	4.2%	N/A	7,268	340
1993	42,490	15,260	3.6%	25.07	7,247	337
1992	42,075	14,710	4.2%	N/A	7,227	346
1991	41,745	13,845	4.8%	N/A	7,099	355
1990	43,518	12,401	3.5%	24.52	6,934	390
1989	43,500	10,374	5.3%	N/A	6,883	382
1988	44,500	10,077	5.4%	N/A	6,949	350

**NOTE:**

- (1) Census information was obtained from the Department of Labor, Unemployment Office, Research Division.
- (2) Information obtained from Lincoln Parish School Board Annual Financial and Statistical Reports filed with the Louisiana Department of Education and the Louisiana Progress Profiles, District Composite Report for Lincoln Parish.
- (3) Information obtained from Louisiana State Library, Louisiana Room.

**LINCOLN PARISH SCHOOL BOARD**  
Ruston Louisiana

**Miscellaneous Statistical Data**  
June 30, 1997

Form of Government	President/School Board
Area of Parish	472 Square Miles
Regular School Days	180

**Number of Schools:**

K & Special Ed.	1
K-5	4
K-8	5
K-12	2
6 Grade Only	1
Junior High (7-8 only)	1
High School (7-12 only)	1
High School (9-12 only)	<u>2</u>
<b>Total</b>	<u><u>17</u></u>

**Enrollment (Public School Only):**

Preschool	130
Kindergarten	614
Grades 1-5	2,680
Grades 6-8	1,682
Grades 9-12	<u>1,775</u>
<b>Total</b>	<u><u>6,881</u></u>

RECEIVED

JAN 05 REC'D 98

LEGISLATIVE AUDITOR

**LINCOLN PARISH SCHOOL BOARD**  
Ruston, Louisiana

**Compliance with Single Audit Act Amendments of 1996**  
**For the Year Ended June 30, 1997**

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

Compliance with Single Audit Act Amendments of 1996  
For the Year Ended June 30, 1997

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# ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS



2414 Ferrand Street  
Monroe, Louisiana 71201  
Telephone (318) 388-4422

Post Office Box 6075  
Monroe, Louisiana 71211-6075  
Facsimile (318) 388-4664

Web: <http://www.allengreencpa.com>

Ernest L. Allen, CPA  
(A Professional  
Accounting Firm)

Tim Green, CPA

Margie Williamson, CPA

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

We have audited the financial statements of Lincoln Parish School Board, as of and for the year ended June 30, 1997, and have issued our report thereon dated September 11, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Lincoln Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item 97-1.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lincoln Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Lincoln Parish School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as items 97-2.

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 97-2 to be a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of Lincoln Parish School Board in a separate letter dated September 11, 1997.

This report is intended for the information of the Board, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

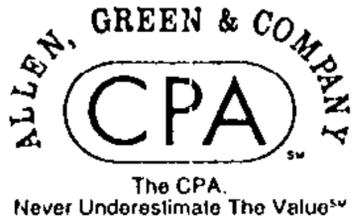
*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
September 11, 1997

# ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS



2414 Ferrand Street  
Monroe, Louisiana 71201  
Telephone (318) 388-4422

Post Office Box 6075  
Monroe, Louisiana 71211-6075  
Facsimile (318) 388-4664

Web: <http://www.allengreencpa.com>

Ernest L. Allen, CPA  
(A Professional  
Accounting Corp.)

Tim Green, CPA

Margie Williamson, CPA

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

### Compliance

We have audited the compliance of Lincoln Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. Lincoln Parish School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lincoln Parish School Board's management. Our responsibility is to express an opinion on Lincoln Parish School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lincoln Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lincoln Parish School Board's compliance with those requirements.

In our opinion, Lincoln Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997. The results of our auditing procedures disclosed no instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133.

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

Internal Control Over Compliance

The management of Lincoln Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Lincoln Parish School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of Lincoln Parish School Board, Ruston, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated September 11, 1997. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information of the Board, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
September 11, 1997

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 1997**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
<b>CASH FEDERAL AWARDS</b>			
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
School Breakfast Program	10.553		1,000,752
National School Lunch Program	10.555		<u>266,431</u>
Total United States Department of Agriculture			<u>1,267,183</u>
United States Department of Education			
Direct Programs:			
Impact Aid (Title VIII)	84.041		2,250
Passed Through Louisiana Department of Education:			
Adult Education - State Grant Program	84.002	N/A	17,452
Title I Grants to Local Educational Agencies	84.010	97-IASA-31 96-056-31 C/O 1997	1,352,311
Special Education:			
Grants to States (Part B)	84.027	97-PF-31	232,337
Preschool Grants	84.173	97-PF-31, 96-PF-31	31,728
Vocational Education:			
Basic Grants to States	84.048	28-97-31-2B/BG 28-96-BG-2B/BG-1996-CO	56,698
Innovative Education Program Strategies - Title VI	84.298	97-IASA-31-6	29,171
Title II (Eisenhower Professional Development)	84.281	97-IASA-31-2 28-96-5031-II C/O 1997	37,217
Title IV (Safe and Drug-Free Schools - State Grant)	84.186	97-IASA-31-4	34,451
Learn 2000			
State and Local Education Systematic Improvement Grants (Goals 2000 State Grants)	84.276	N/A	<u>99,009</u>
Total United States Department of Education			<u>1,892,624</u>
United States Department of Defense			
Direct Programs:			
Department of The Army			
ROTC	NONE	N/A	<u>33,761</u>
Total Cash Federal Awards			<u>3,193,568</u>

(Continued)

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Lincoln Parish School Board, Ruston, Louisiana. The Lincoln Parish School Board (the "School Board") reporting entity is defined in note 1 of the Notes to the General-Purpose Financial Statements of the School Board's general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 of the Notes to the General-Purpose Financial Statements of the School Board's general-purpose financial statements.

**NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS**

Federal awards revenues are reported in the School Board's general-purpose financial statements as follows:

	<u>Federal Sources</u>
General Fund	\$ <u>125,418</u>
Special Revenue Funds:	
Title I	1,352,311
Title VI	29,171
Adult Education	17,452
Title II	37,217
School Food Service	1,399,392
Special Programs	330,365
Title IV (Drug Free)	<u>34,451</u>
	<u>\$3,325,777</u>

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**NOTE 5 - MAJOR FEDERAL AWARDS**

The dollar threshold of \$300,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**NOTE 6 - NONCASH PROGRAMS**

The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**JUNE 30, 1997**

**Finding Reference #:**      **Finding #1 of the Schedule of Reportable Conditions**

**Title:**                      **Property and Equipment Software**

**Initially occurred:**      Fiscal Year Ended June 30, 1995

**Condition:** The School Board had two software systems for fixed assets. One system was used for many years. Another software system was developed and had been in use since 1991. The system used since 1991 provided greater flexibility but didn't provide an audit trail for additions and deletions to fixed assets.

**Corrective action taken:** The School Board has initiated the use of a new software system for fixed assets which will provide an audit trail for additions and deletions of fixed assets.

**Person responsible for corrective action:**

Charles H. Owens, Director of Auxiliary Services  
Lincoln Parish School Board  
410 S Farmerville  
Ruston, LA 71270-4699

Telephone (318) 255-1430  
Fax (318) 255-3203

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**JUNE 30, 1997**

**Finding Reference #:**     **Finding #2 of the Schedule of Reportable Conditions**

**Title:**                    **Fixed Assets**

**Initially occurred:**    Fiscal Year Ended June 30, 1996

**Condition:** The School Board's list of fixed assets was neither current nor accurate. A physical inventory was performed each summer. However, no additions and deletions were inputted until approximately six months after each physical inventory. This caused the fixed asset listing to lag behind by at least six months and as much as a year and a half. At the completion of the field work for 1996, additions and deletions for the inventory from the summer of 1996 had not been entered. Further, during testing of the fixed asset listing provided by the School Board, we were unable to locate some items appearing on the fixed asset listing. Also, we were unable to trace some equipment found at the schools to the fixed asset listing.

**Planned corrective action:** See finding #97-2 in the Schedule of Finding and Questioned Costs included later in this report.

**Person responsible for corrective action:**

Charles H. Owens, Director of Auxiliary Services  
Lincoln Parish School Board  
410 S Farmerville  
Ruston, LA 71270-4699

Telephone (318) 255-1430  
Fax (318) 255-3203

**Anticipated completion date:** During fiscal year ending June 30, 1998

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**JUNE 30, 1997**

**Finding Reference #:** **Finding #3 of the Schedule of Findings and Questioned Costs**

**Title:** **Budget Overruns**

**Initially occurred:** Fiscal Year Ended June 30, 1996

**Condition:** The School Board had unfavorable budget variances in two funds exceeding 5%.

**Planned corrective action:** See finding 97-1 in the Schedule of Findings and Questioned Costs included later in this report.

**Person responsible for corrective action:**

Juanita Duke, Business Manager  
Lincoln Parish School Board  
410 S Farmerville  
Ruston, LA 71270-4699

Telephone (318) 255-1430  
Fax (318) 255-3203

**Anticipated completion date:** During fiscal year ending June 30, 1998.

**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

**PART I - Summary of the Auditors' Results**

**Financial Statement Audit**

- I. The type of audit report issued was unqualified.
- ii. There was a reportable condition required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.

The reportable condition disclosed was considered a material weakness as defined by the Government Auditing Standards.

- iii. There was an instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

**Audit of Federal Awards**

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:

CFDA #84.010                      Title I Grants to Local Educational Agencies

Cluster (as defined by OMB Circular No. A-133 Provisional Compliance Supplement)

CFDA #10.553                      School Breakfast Program  
CFDA #10.555                      National School Lunch Program  
CFDA #10.559                      Summer Food Program for Children

- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

LINCOLN PARISH SCHOOL BOARD  
Ruston, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

PART II - Finding(s) relating to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Finding Reference # and Title: 97-1 Budget Overruns

**Condition:** The School Board had unfavorable budget variances in the Dubach No. 5 Maintenance and Operation, Simsboro No. 3 Maintenance and Operation, and Ruston No. 1 Maintenance and Operation special revenue funds exceeding 5%.

**Recommendation:** The School Board should monitor budget to actual periodically and amend the budget as needed.

**Management's Corrective Action Plan:**

**Corrective action planned:** In the future, a greater effort will be made to anticipate material changes in actual revenues and expenditures in order to amend the budget as necessary.

**Person responsible for corrective action:**

Juanita Duke, Business Manager  
Lincoln Parish School Board  
410 S Farmerville  
Ruston, LA 71270-4699

Telephone (318) 255-1430  
Fax (318) 255-3203

**Anticipated completion date:** During fiscal year ending June 30, 1998.



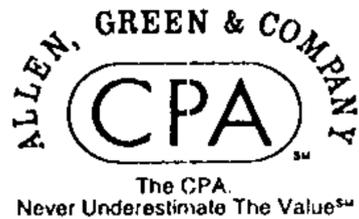
**LINCOLN PARISH SCHOOL BOARD**  
**Ruston, Louisiana**

**CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

Management has included corrective action plans for all findings in the Schedule of Findings and Questioned Costs which precedes this schedule in this audit report. The corrective action plans are located at the end of each finding

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Monroe, Louisiana 71201  
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Ernest L. Allen, CPA  
(A Professional  
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Tim Green, CPA

Margie Williamson, CPA

## Management Letter

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana

Dear Board:

In planning and performing our audit of the general-purpose financial statements of Lincoln Parish School Board for the year ended June 30, 1997, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on internal control.

However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated September 11, 1997, on the general-purpose financial statements of Lincoln Parish School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

### 1. Budget-to-Actual Comparisons

**Condition:** The School Board may wish to formalize budget-to-actual comparison policies and procedures. It is our understanding that no formal monitoring of budget variances is performed at this time. Even though the variances are examined at year-end and adjusted as needed, it would probably be beneficial to both management and Board members to have the variances monitored and presented to the Board on a more regular basis.

**Reason Improvement Needed:** By formally presenting budget-to-actual comparisons to the Board at least once a quarter, Board members and management have more information available concerning the financial position of the School Board.

### 2. Timely Deposits

**Condition:** Three checks out of a sample of 21 checks tested were not deposited on a timely basis. The three checks totaled \$4,489.37 and were deposited on average of 10 business days after receipt.

**Reason Improvement Needed:** Both Louisiana Revised Statute 39:1215 and strong internal controls require deposits to be made on a daily basis, if practical. By not doing so, the School Board could be in violation of the state statute and could have a loss of income from deposits not earning interest.

### 3. Discounts not Taken

**Condition:** Discounts available were not taken on two checks out of a sample of 25 checks tested. The two checks totaled \$7,626.25. Discounts not taken totaled \$762.63.

**Reason Improvement Needed:** By taking all available discounts, unnecessary expenditures are not made.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

The following items are matters we believe you should be aware of that could assist in the operations of the School Board. The inclusion of the following items is informational and does not indicate that the situation exists at the School Board.

#### OMB Circular A-133

All School Boards became subject to U. S. Office of Management and Budget (OMB) Circular A-133 and OMB Circular A-133 Provisional Compliance Supplement for the first time for the fiscal year that recently ended. As part of these audit regulations which resulted from the passage of the Single Audit Act Amendment of 1996, there is a De Facto incentive to the School Board. More audit work will be required annually in the federal program area for a government that falls outside the low-risk auditee classification as defined by OMB. Items that prevents a School Board from being treated as a low-risk auditee is if the School Board had reportable conditions (internal control weaknesses) that were considered material weaknesses and material compliance (violations of laws, regulations, contract provisions, etc.) findings. It would be to the School Board's benefit to correct the current-year findings reflected in the Schedule of Findings and Questioned Costs included in the single audit reports, particularly any finding that is considered a material weakness.

Another matter resulting from the change in audit regulations from OMB Circular A-128 (old audit regulations) to OMB Circular A-133 is the establishment of a \$10,000 threshold for reporting questioned costs. Previously there were no minimum requirements for reporting questioned costs. This resulted in some findings being reported that were fairly insignificant in the scheme of the School Board's operation. The establishment of the \$10,000 threshold will result in less findings in the single audit reports. That is the good news! The bad news is that the findings that are included in the report will take on increased importance. There will be more interaction between the federal agency that provided the funding for the federal program, the School Board and the auditors. In fact the new Data Collection Form (transmittal form that is submitted with all single audit reports) will include name, address, telephone and E-mail addresses for both the School Board and the auditor. Included with each finding in the single audit report is this same information for the person assigned responsibility for the corrective action planned for each finding.

Finally, the Single Audit Act Amendments of 1996 included a provision that the federal agency will have access to the auditor's work papers in order to resolve audit findings. Previously, auditors were somewhat reluctant to release audit work papers that could possibly be used by the federal agency to the detriment of the School Board for matters involving questioned costs charged to a federal program. However, now there is no choice by the auditor. The federal agency has access per federal law.

### Year 2000 Compliance

The turn of the century will be an exciting time for many, but could turn into a disaster unless plans are made concerning year 2000 compliance for many School Board's computer systems. The basic problem lies in the way most computer software, both operating systems and application programs, calculates dates. Most programs use two digits to represent the last two years of the 19XX dates, therefore the programs are expecting dates between the year 1900 and 1999. If dates for the year 2000 are entered into these noncompliant programs, the programs will assume the year 2000 to be the year 1900. Many arithmetic calculations, such as due dates and interest calculations, will therefore be incorrect. The impact of this problem, if not corrected, could be that the entire computing system would cease to function. This would obviously cause tremendous problems in important areas such as accounts payable and payroll just to name a few.

Software and even hardware vendors should be contacted immediately to determine the requirements of making the computer system year 2000-compliant. Plans should be drawn up with the assistance of vendors and/or a consultant in year 2000 compliance and closely monitored to assure that the School Board's system will not suffer a crisis. We would suggest that agreements or assurances should be attained from the software/hardware vendors regarding their ability to make their systems year 2000-compliant.

### Retirees Returning to Work

The most severe penalty that we have noticed during our firm's career in auditing School Boards is the penalty imposed by the Teachers' Retirement System of Louisiana (TRS) upon School Board for their failure to report annually the TRS retirees working at the School Board. The penalty is figured as though the employee is subject to paying retirement, resulting in the School Board paying the amount that would have been withheld for a regular employee plus the employer's portion. The penalty works out to be approximately 25% of the retirees' wages and is paid entirely by the School Board. The TRS will assess the penalty for however many years the annual reports were not filed. You should ascertain that annual reports were filed.

### Employees Being Treated as Contract Labor

Frequently, at School Boards audited by our firm, we notice employees being paid amounts outside of the salary schedule for extra duties, attending after-hours seminars and etc. Further, we sometimes see these amounts being paid by a vendor check which bypass the amounts being subject to payroll tax and related regulations. Only in very rare instances can an employee of the School Board be treated as an independent contractor. The instances are so rare, in fact, that we would suggest you check with the Internal Revenue Service or us before treating an employee as an independent contractor.

### Extra Pay

If extra pay is given for duties performed outside the normal work day, then some type of time records (time sheets, attendance log, etc.) should be in the voucher file indicating dates, the time of day, the work performed and approval by some member of management above the level of the person receiving the check.

Also, documentation for key employees pay that is outside the salary schedule should meet at least the minimum required by the School Board's policy or practice required of non-key employees. Because key employees are in a position to make decisions, and could, if they so choose, manipulate situations to their favor, documentation for key employees should be stronger than a non-key employee.

We did not note any problems in this area during our audit testing, but believe you should be kept aware of potential problems in this area.

### **SEC Municipal Bond Disclosure Requirements**

In response to concerns about the municipal securities market, the Securities and Exchange Commission (SEC) issued a final rule entitled *Municipal Securities Disclosure* that became effective on July 3, 1995 (Section 17, Code of Federal Regulations (CAR), Part 240, Release No. 34-34961). The final rule amends Rule 15c2-12 under the Securities Exchange Act of 1934 and attempts to deter fraud and manipulation in the municipal securities market by prohibiting the underwriting and subsequent recommendation of securities for which adequate information is not available. The SEC issued Interpretive Release No. 33-7049 (Section 17, CAR, Parts 211, 231, and 241) *Statement of the Commission Regarding Disclosure Obligations of Municipal Securities Issuers and Others*. This interpretive release is cited in the above-described final rule as a source of guidance on the disclosure obligations of issuers of municipal securities and is intended to assist municipal securities issuers, brokers, and dealers in meeting their obligations under the anti fraud provisions of the securities laws.

Further, the SEC's actions will lead to contractual requirements for issuers that may govern, among other things, required financial information and audit requirements.

### **Section 403(b) Tax-Sheltered Annuities**

Certain governmental entities offer Section 403(b) tax-sheltered annuities to their employees. The IRS has developed an examination program for employers who offer these annuities. To date, examinations have uncovered many deficiencies in employers' plans. These deficiencies have included exceeding the various contribution limits, noncompliance with distribution requirements, inadequate salary reduction agreements, and failure to offer universal availability of salary reduction programs (due to impermissible eligibility restrictions, mandatory contributions, and participant exclusions). Sizable assessments against these employers have been common as a remedy to prevent the programs from being declared taxable.

The IRS's Tax-Sheltered Annuity Voluntary Correction (TVC) program, which began in 1995, gives plan sponsors of Section 403(b) annuity plans the opportunity to voluntarily correct any plan defects. The program was scheduled to conclude October 1996. However, the IRS has recently announced that the program has been extended until December 31, 1998. Use of the TVC program may result in significantly reduced settlements with the IRS, compared to assessments based on deficiencies discovered during audits performed by the IRS.

Again, the above items are matters we believe you should be aware of that could assist in the operations of the School Board. The inclusion of items are informational and does not indicate that the situation exists at the School Board.

Board Members  
Lincoln Parish School Board  
Ruston, Louisiana  
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We hope the suggestions on the previous pages are useful to you.

This report is intended solely for the use of the Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sincerely,

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
September 11, 1997